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**Some of the major differences between Cost Benefit Analysis and Cost Effectiveness Analysis are:**

<b>Cost Benefit Analysis (CBA)</b>	<b>Cost Effectiveness Analysis (CEA)</b>
Cost Benefit Analysis is an economic evaluation technique that compares the cost of the intervention with the benefit incurred, where the <b>benefit is measure by monetary units</b>	Cost Effectiveness Analysis (CEA) is an economic evaluation technique that compares ‘cost per consequence’ of two or more interventions, where the <b>consequences are measured by “natural” units (life years gained, saved years of life)</b>
CBA focuses on the monetary outcomes	CEA focuses on non-monetary outcomes
Here, both costs and <b>consequences are measured in monetary unit</b>	Here, <b>consequences are measured by natural units</b>
<b>Net Benefit= Benefits – Costs</b>	<b>Cost effectiveness ratio (CER) = Cost of Intervention/Effect of Intervention</b>
<b>Outcome include:</b>  Net monetary benefit	<b>Outcomes include:</b>  Years of life saved, hospital days prevented, number of deaths prevented, reduction in BP etc.
<b>Cost-outcome comparison shows the ‘net cost’</b>	<b>Cost-outcome comparison shows the ‘Costs per Quality Adjusted Life Years (QALY)’.</b>  For more details of QALY, please visit: <a href="https://www.publichealthnotes.com/qaly-quality-adjusted-life-years/">https://www.publichealthnotes.com/qaly-quality-adjusted-life-years/</a>
As the CBA is based on the monetary terms, it is quantitative project evaluation technique	CEA is a mixed of both qualitative and quantitative evaluation techniques
It adopts broad societal perspective as	It has its limitation on outcomes related to

it includes all costs and all benefits	monetary value
After this analysis, an intervention should be chosen and undertaken if the benefit exceeds the costs	After this analysis, we can select the intervention which has higher natural units (life years gained, saved years of life etc.) as a consequence
Externalities are considered as well	Externalities are not considered
It is used to evaluate public expenditure programs designed to produce different outcomes.	Cost effectiveness analysis (CEA) compares the relative value of various clinical strategies that are designed to deliver the same or similar outcomes.
The results are presented in terms of ratio of benefit-to-cost and return on investment	The results are presented in terms of incremental cost per unit of effectiveness for interventions
The outcome is usually expressed as the difference in cost, net benefits	The outcome is usually expressed as the number of the life saved, decreased morbidity or mortality
For cost-benefit analysis, it is necessary to assign a <b>monetary value to each year of life.</b>	Cost-effectiveness analysis draws <b>attention exclusively to health benefits</b> , which are not monetized.
Net gains and losses are checked for the decision regarding any intervention.	Decision depends on the analyzing if certain intervention has maximized the benefit obtainable from a given budget or minimized the cost to achieve the target.
Benefits obtained from CBA can be direct, indirect, or intangible.	CEA only focuses on the health outcomes neglecting the non-health outcomes.
The outcomes of CBA are already known.	Cost-effectiveness depends on long-term outcomes, which are not known.
Cost-benefit analysis helps to identify the best ways to achieve given outcome.	Cost-effectiveness analysis helps identify ways to redirect resources to achieve more.
CBA is suitable for evaluation of industrial projects, since monetary value can be easily calculated	CEA is more suitable for the service oriented organizations.
CBA is comparatively more complex as every matter needs to be quantified and it also considers opportunity cost	CEA is relatively easier to calculate than cost-benefit analysis as all the matters need not be quantified in monetary value

and time factor.	
CBA is <b>used at the executive level of government when considering regulatory proposals</b> that would be costly to implement but that would have potentially large economic benefits to society	CEA considers the potential trade off and also <b>helps in evaluation of the allocation of resources</b> by characterizing the cost of health interventions per added unit of benefit.
<p>The <b>limitation of CBA</b> is that:</p> <ul style="list-style-type: none"> <li>– Data collection can be complex for costs</li> <li>– Benefits in other forms than money cannot be assessed</li> </ul>	<p>The <b>limitation of CEA</b> is that:</p> <p>CEA doesn't make comparisons between the interventions producing different outcomes</p>