Estimating the Costs of Developing a New Law for Modelling Health Interventions

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Background

- Good evidence for the role of legislation in reducing health loss (eg, a review identified 65 systematic reviews of studies on the effectiveness of 52 public health laws).

- These laws on major health topics eg, injury prevention, housing, tobacco, vaccination, violence, and food safety.

- But methods on determining the cost-effectiveness of new health-related laws is not well developed (eg, limitations with "WHO CHOICE").

Methods

- To allow for estimating the *marginal* cost of a new law, our conceptual framework took a long-run perspective where there is sufficient time for the resources (eg, size & budget of parliament & agencies) to be changed in response to change in legislative workload.

- Top-down approach, "costs to government" perspective.

- % of total Parliamentary costs & government agency costs related to law-making

For more details: Wilson et al *Bulletin WHO* 2012;90:532-9 (full free text online)

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Results

- Over four electoral cycles (1999 – 2010) the NZ Parliament passed an average of 19 Acts and 110 Regulations per year.

- % of Parliamentary resources estimated to go on law-making ("sitting days" method): 27%

- % of policy advice from government agencies relating to generating new laws: 17% (n=126 policy issues analysed).

Results – continued

- Estimated mean cost of an Act = NZ$ 3.5 M [US$ 2.8 M], (95%UI: NZ$ 2.0 – 6.2 M).

- Regulation, mean cost = NZ$ 530,000 (95%UI: 307,000 – 922,000).

- Comparison analysis of enacted bills for 50 US State Governments (n = 20,869 bills, for 2008-2009), mean = US$ 980,000.

- Mean cost per page of legislation (Acts + Regulations) = NZ$ 45,000.

Conclusions

- Cost of law-making is non-trivial and so should ideally be included in economic evaluations of health interventions that involve a new law. (We have started to use it in our BODE^3 evaluations).

- Despite some limitations, this new method:

  (i) appears to capture major government costs for developing a new law;

  (ii) is likely to have some general applicability to other countries.