**Cost-Effectiveness Analysis**

**Topic:** Through the years, the inclusion of an economic perspective when evaluating health and health care services has increasingly become an accepted element of healthcare policies and planning.

**Thesis:** This article will provide an in-depth definition of CEA and motivation to use CEA in the health sector. Furthermore, the report may provide my decision-making process when employing CEA. Lastly, if or if not, policymakers should rely solely on CEA when prioritizing health care services.

**Definition**

* CEA is a technique employed to examine and address efficiency issues during the allocation of scarce health resources.
* The costs and results of alternative healthcare interventions are expressed in cost per unit of health outcome.

**The motivation to use cost-effectiveness analysis**

* It identifies the costs and consequences of the treatment and considers their magnitude.
* Uses a common unit measure that captures the utility of outcomes.
* Assists in identifying neglected opportunities through reflecting interventions/treatments that are relatively inexpensive
* The analysis applies to different levels in the health care sector.
* CEA assists in identifying neglected opportunities through reflecting interventions/treatments that are relatively inexpensive.
* The CEA principle to maximize health and health care subject to budget constraints makes the analysis applicable in various contexts.

**Decision-making process**

* The psychotherapy intervention would be a better alternative for the North Carolina Medicaid Program to receive the $20,000,000 funds.

**Policymakers' decision to rely solely on CEA to prioritize health care services**

* The realization that health is not primarily dependent on medical care but the general environment of the population
* CEA's use and implementation may experience some limitations due to potential reasons
* Policymakers may also experience a lack of generalizability since findings may insufficiently travel through different systems