

Supplementary material for methods:

To transfer VSL estimates from countries where formal studies have been undertaken to countries in which they have not, we use gross domestic product per capita (GDP per capita) as a conversion factor.¹ A key element of this transfer is the “income elasticity of VSL” (IE-VSL), which is a parameter that controls the degree to which VSL is sensitive to income. A greater IE-VSL when transferring from a higher to lower-income country results in lower VSL estimates. We have chosen an IE-VSL of 0.55 and 1.0 as our base case for high- and upper-middle-income countries (HICs/UMICs) and lower-middle and low-income countries (LMICS/LICs) respectively, with a sensitivity analysis using 0.55 and 1.5¹

Converting DALYs averted to Economic Benefit

The rationale and theory of converting DALYs averted to economic benefit are more fully explained in the LCoGS publication.² Below, we outline the mathematical approach utilized for this paper.

To transfer VSL estimates, we adopted the following formula:³

$$(1) \quad VSL_{p,i} = VSL_{p,U.S.} \cdot \left[\frac{YC_i}{YC_{U.S.}} \right]^{IE-VSL}$$

where VSL_p = the peak value of a statistical life, YC = GDP per capita, $U.S.$ = United States of America, and $IE-VSL$ = the income elasticity of VSL. We used the United States' Environmental Protection Agency's VSL estimate (\$7.6 million in 2006 USD, adjusted to the year of study).

Evidence suggests that VSL and VSLY change with age, rising with age before falling.⁴ To calculate an age-specific VSL (VSL_a), we used the following:

$$(2) \quad VSL_{a,i} = VSL_{p,i} \cdot f(a)_i$$

where a represents age, and $f(a)$ is a function that adjusts a country's peak VSL to VSL_a based on the proportion of life lived. $f(a)$ is derived from data from Aldy and Viscusi.⁴ The VSL of a child is controversial, but felt to be at least that of an adult^{5,6}.

$$(3) \quad f(a) = \begin{cases} \text{if } \frac{a}{LE} \leq 0.236; 19.41(0.236)^4 - 43.170(0.236)^3 + 27.65(0.236)^2 - 4.33(0.236) + 0.44 \\ \text{if } \frac{a}{LE} > 0.236; 19.41\left(\frac{a}{LE}\right)^4 - 43.170\left(\frac{a}{LE}\right)^3 + 27.65\left(\frac{a}{LE}\right)^2 - 4.33\left(\frac{a}{LE}\right) + 0.44 \end{cases}$$

The potential benefit of an intervention, in this case cleft repair, is taken to be inverse of the value of lost welfare due to a disease

$$(4) \quad VLW_d = VSLY \cdot DALYS_d$$

$VSLY_a$ is defined as follows. We begin by estimating an age-specific VSL:

$$(5) \quad VSL_{a,i,t} = VSLY_{a,i,t} \int_a^{LE_{a,i,t}} e^{-r(x-a)} dx$$

Where LE = life expectancy, and r = discount rate (3% in this study).

If we substitute equation (2) into equation (5), then we arrive at:

$$(6) \quad VSL_{p,i,t} \cdot f(a)_i = VSLY_{a,i,t} \int_a^{LE_{a,i,t}} e^{-r(x-a)} dx$$

Integrate and solve for $VSLY_a$ to arrive at:

$$VSLY_{a,i,t} = VSL_{p,i,t} \cdot f(a)_i \cdot \frac{-r}{e^{r(a-LE_{a,i,t})} - 1}$$

References:

1 Hammitt JK, Robinson LA. The income elasticity of the value per statistical life: transferring estimates between high and low income populations. *Journal of Benefit-Cost Analysis* 2011; 2(1): Article 1.

2 Alkire BC, Shrimpe MG, Dare AJ, et al. Global economic consequences of selected surgical diseases: a modelling study, *Lancet Global Health* 2015;3:S21-S27

3 Viscusi WK and Aldy JE, The value of a statistical life: a critical review of market estimates throughout the world, *J Risk Uncertain* 2003; 27:5-76

4 Aldy JE, Viscusi WK, Adjusting the Value of a Statistical Life for Age and Cohort Effects, *Review of Economics and statistics* 2008;90(3):573-581

5 Hammitt JK, Haninger K, Valuing fatal risks to children and adults: Effects of disease, latency, and risk aversion, *J Risk Uncertainty* 2010;40:57-83

6 Roman HA, Hammitt JK, Walsh TL, et al. Expert elicitation of the value per statistical life in an air pollution context. *Risk Anal.* 2012;32(12):2133-51