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Ethics and the Allocation of Scarce Resources

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Three Opening Cases

Allocation Ethics

Wait Until He Ages Out

Mr. Z is a 19-year-old individual with ID who has been receiving specialized services through the school system in his locality. Mr. Z has decided that he does not want to go to school anymore and his family has been looking for appropriate assistance in the community. They have requested services from the CSB but funding is scarce. Mr. Z requires intensive supports and the CSB has determined that it would prefer to use its resources for individuals who have no other options. Is it ethical to refuse to provide services to Mr. Z because he is eligible for school-based support until he is 22?



The Ethics of Scarcity

“Serve More Or Serve Better?”

Both Mr. H and Ms. I will do very well with therapy A, but that therapy is so intensive, that staff can only provide it to one client at a time. Both Mr. H and Ms. I will do marginally well with therapy B and that service could be provided to both simultaneously. Is it preferable to maximize outcomes to one individual at a time or secure marginal improvement for multiple individuals simultaneously?



The Ethics of Scarcity

“Who Is First?”

Ms. K and Ms. L are both under consideration for placement in your vocational program. Ms. K has many more challenges than Ms. L and is less likely, therefore, to succeed with long term job placement. While Ms. L is more likely to move through the program efficiently, she has a more substantial family support system and can do better without your support. Should Ms. K or Ms. L receive the next available slot in the program?



Basic Concepts

The Ethics of Scarcity

“The Four E’s”

1. Efficiency: A maximally efficient outcome is one that provides the highest ratio of output over input in a system. Efficiency does not consider the distribution of outcomes across recipients, but only the return on investment that is generated.
2. Effectiveness: A maximally effective outcome is one that maximizes benefit to the recipient of the resources or services in question so as to bring about the greatest gain for the chosen recipient. When we consider effectiveness, we apply the economic principle of maximax; obtaining the best possible best-case outcome.
3. Equality: An equal distribution is one that maximizes the degree of similarity of outcome for all recipients of goods or services.
4. Equity: A maximally equitable distribution of goods or services is that which minimizes harm to the non-recipient of resources or services in question so as to bring about the least harm to the least advantaged recipients. When we consider equity, we apply the economic principle of maximin; obtaining the best possible worst-case outcome.



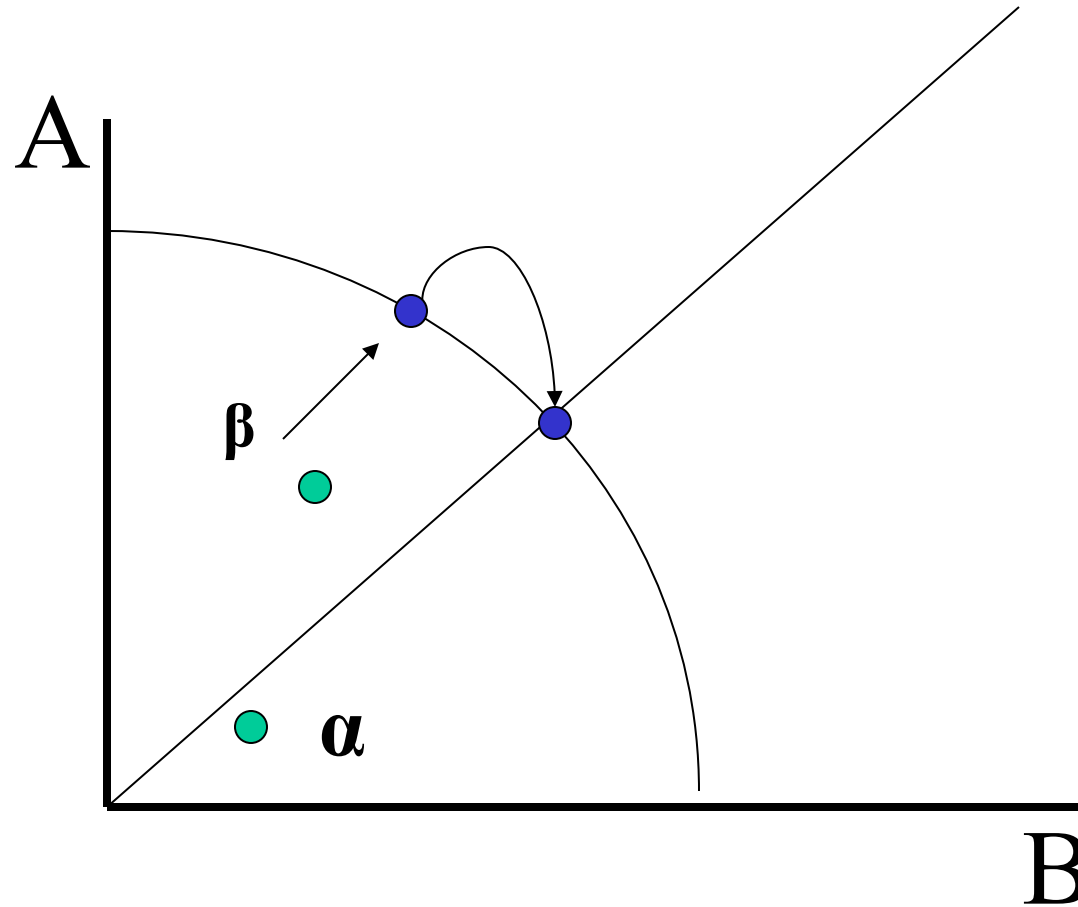
The Allocation of Resources

Effectiveness, Efficiency, Equality, Equity

	α	β	γ	δ
A	1000	950	-7	500
B	25	100	-5	300

The Allocation of Resources

The Concept of Fairness



Allocation Ethics

“The Process of Rationing”

1. A fair approach to rationing is one that seeks to maximize benefit to the least advantaged member of the group.
2. Once minimum standards are met for everyone, additional resources should be used to improve the situation of those who are least advantaged



Allocation Ethics

“The Justification of Rationing”

Rationing a PUBLIC resource is morally justified if and only if:

1. There actually exists a shortage of the resource in question,
AND
2. An identifiable victim of a failure to ration exists,
AND
3. The victim of the adopted rationing scheme is disadvantaged less than the victim of any other rationing scheme, including the lack of rationing altogether.



The Ethics of Scarcity

“Altered Standards of Care”

In an environment of true scarcity, our goal must be to minimize the harms done rather than to maximize the benefits received. When allocating scarce resources, our only constraint on the lower end is to satisfy minimum standards of care.



Operational Guidelines: Micro-Allocation

The Ethics of Scarcity “Exclusionary Criteria”

Constituency

Inappropriate Requests



The Ethics of Scarcity

“Inclusionary Criteria”

Prior Commitment

Serious Need: Imminent Risk and No Alternatives

Efficiency

Effectiveness

Comparative Need

Random Selection

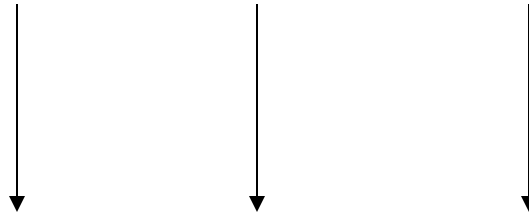


The Macro-Allocation Analogue

Macro-Allocation

“Exclusionary Criteria”

Constituency
Inappropriate Requests



Define the Facility's Mission



The Ethics of Scarcity

“Macro-Allocation”

Prior Commitment → Leave Intact OR
Phase Out Over Time

Alternative Resources → Leverage Resources →
Need → Apply A Concept of Fairness To The Commitment To
Comprehensive Services
Efficiency → Leave Intact ←

Effectiveness → Swap Order With Efficiency?

Comparative Need → Replace With Consideration
Of Public Opinion

Random Selection → Delete



The Ethics of Scarcity

“The Macro Algorithm”

1. Identify the range of services to be offered over time (begin with mandates, mission, and the demands of considered public opinion).
2. Maintain a commitment to provide the services identified in step one.
3. Spend additional resources to limit the harms of the budget cuts (equity).
4. Select programs that leverage resources to increase funding for steps two and three (efficiency).
5. Select programs with high and measurable success rates (effectiveness).
6. Satisfy the demands of public opinion (when these demands are clear enough, re-engage in step one)



Macro-Allocation

“Reflective Equilibrium”

When a public agency engages in the provision of public services, it is not unreasonable for society to set the broad goals of activity. Therefore, a balance must be maintained between step one and step six on the previous slide. This is a bi-lateral process designed to generate equilibrium.



Macro-Allocation

Five Key Questions

1. What is the difference between a hard mandate, a soft mandate, and a contingent mandate?
2. Does equity always take priority over efficiency? What if increased efficiency enhances opportunities for equity?
3. How should we respond when budgetary demands from state and local funders conflict with our priorities?
4. How should we respond when budget cuts will cause demonstrable harm?
5. Is it ethical to maintain reserves in a time of scarcity?



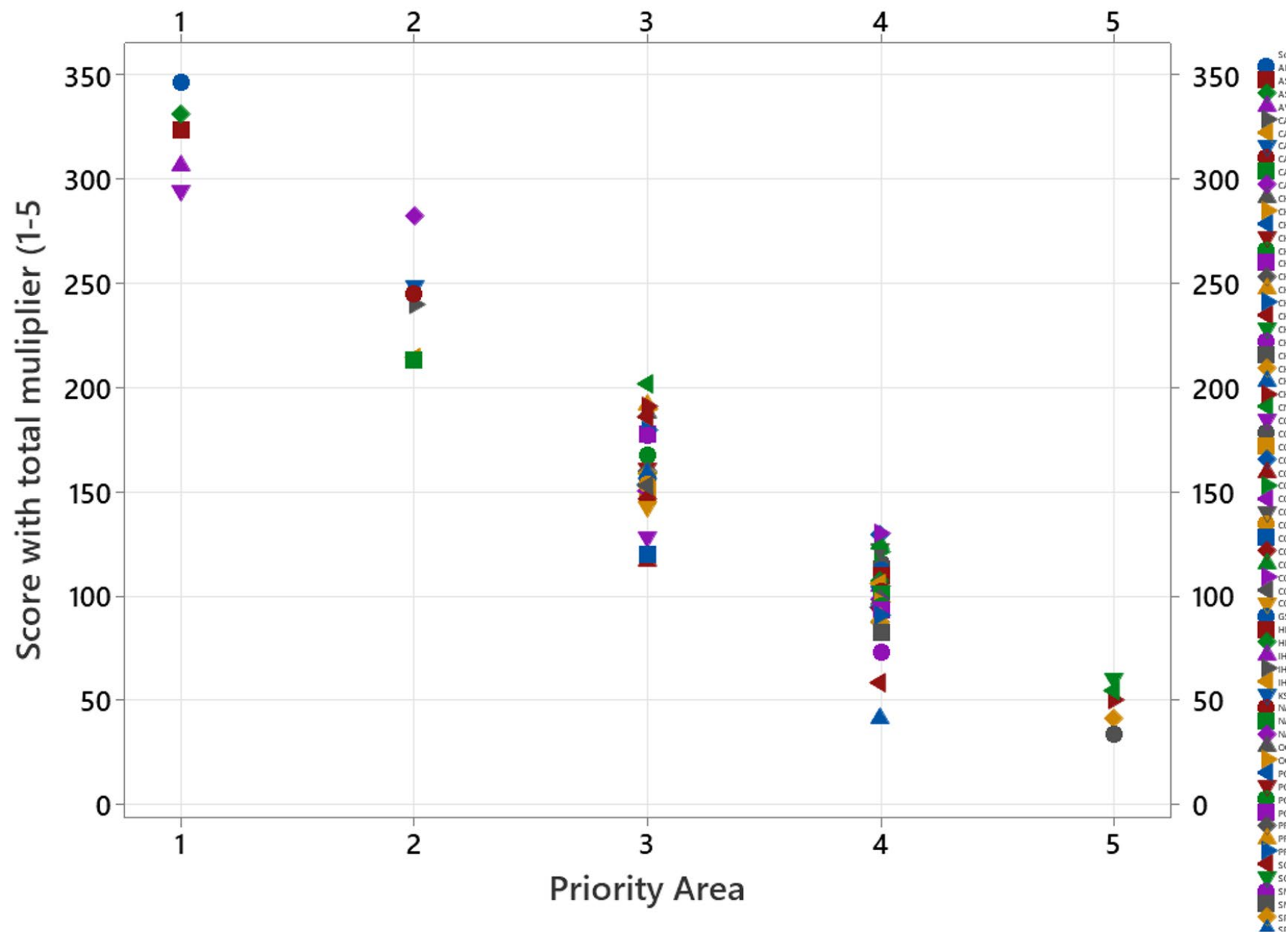
Prioritization Examples

Ethical Prioritization of Non-mandated Prevention and Early Intervention Services in the City of Alexandria, January 2010

Prenatal + risk	MH Preschool Prevention Team: Early Intervention												
Age 0-3 + risk		DHS Children's Fund 0-5		DHS Child Care Assistance									
Age 3-5 + risk			DHS VA Preschool Initiative		MH Preschool Prev. Team: AI's Pals *								
Grade K-3 + risk	MH School Age Prevention Team: Early Intervention (individual & group)	MH School Age Prevention Team: Parent Outreach	CSU Element. Gang Prevention *			MH School Age Prevention Team: Kids are Terrific Summer Camp (ages 8-10)							
Grade 4-5 + risk					OOW Unequal Partners (ages 10-17) *		CSU IMovie Mentors (5 th or 6 th grade)	CSU SOHO (5 th or 6 th grade)					
Grade 6-8 + risk	MH School Age Prevention Team: Early Intervention (individual & group)	CSU Shoplifters Alternatives (12-18)	CSU Ed. Support Program (12-18)			CSU Interv. Prev. Ed. (IPE) *				Rec Teen Outreach	CSU Attendance Review Panel (12-18)		
Grade 9-12 + risk							DHS Youth Employment (IEP)	DHS Project Discovery					
Age 18-21 + risk	CSU Seaport Found. Green Apprent. *												
Age 0-3 no risk	DHS Early Childhood Regulatory Services		OOW Youth Outreach			DHS Youth Fund (ages 6-21)	MH School-Age Prev. Team: Parent & Youth Risk Behavior Info Dissemination						
Age 3-5 no risk								Rec Youth Activities (ages 3-17)					
Grade K-3 no risk		MH School Age Prevention Team: AI's Pals (K) *		DHS Out of School Time	MH School-Age Prev: Life Skills Training & Too Good for Drugs*				Rec Youth Sports (ages 6-17)				Police School Crossing Guards
Grade 4-5 no risk					OOW Expect Respect (grades 5, 7, 9, 10)								
Grade 6-8 no risk		OOW Project Step Out		DHS Youth Employment							Rec Teen Program	Police School Resource Officers	
Grade 9-12 no risk													
Age 18-21 no risk													
Prenatal no risk													

* = 100% non-City funded

Provider Scores





We value your opinion

Please fill out our evaluation form to share your thoughts on our plenary sessions and your overall experience at the Summit