Department of Epidemiology and Biostatistics

Epidemiology 4615B/9530B
Health Economics II
Winter 2016

Time: Thursday: 1:30 p.m. – 3:30 p.m.
Location: Room K116

Lab Time: Friday: 11:30 a.m. – 12:30 p.m.
Lab Location: Room K7

Instructor: Sisira Sarma
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Teaching Assistant: Steven Habbous
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Course Information

Prerequisite: 9529A or equivalent
Co-requisite: 9521B or equivalent

Unless you have either the requisites for this course or written special permission from the Graduate Chair to enroll in it, you may be removed from this course and it will be deleted from your record. This decision may not be appealed. You will receive no adjustment to your fees in the event that you are dropped from a course for failing to have the necessary prerequisites.

Course Syllabus

This course is designed to provide students with theoretical foundations and empirical methods to evaluate health interventions from an economics perspective. More emphasis will be placed on the methods to evaluate health programs, policies and interventions arising in the field of modern health economics. The topics to be covered are: cost-effectiveness analysis, cost-benefit analysis, decision-analytic models, Markov models, sensitivity analysis, Monte Carlo simulation and analysis of health care costs. If time permits, selected special topics on treatment effects using observational data will be considered. This course will also provide students with a hands-on experience in conducting empirical health economics evaluation using TreeAge Pro and STATA software packages.
Learning Outcomes:

By the end of this term, students should be able to:

- critically appraise published literature on health economic evaluations;
- identify the differences among cost-minimization, cost-effectiveness, cost-benefit, and cost-utility analyses and know the strengths and weaknesses of each technique;
- understand advanced decision-analytic models to conduct cost-effectiveness analysis;
- design and conduct health economics analysis in the field of health and medicine;
- conduct applied health economics analysis using TreeAge and STATA software packages, including Monte Carlo simulations; and
- conduct analyses of health care costs and treatment effects using observational data (if time permits).

Software:

We will be using TreeAge Pro 2009 and STATA 13 software packages available on Epidemiology & Biostatistics Computer Lab (Room # K7). Please Note: These software packages are available for teaching purposes only and the licenses do not permit for research. This means you are required to purchase student versions of software packages for your thesis research.

Course Materials

Textbook:
There is no assigned textbook for this course. We will instead focus on selected materials from several books, journal articles and handouts. Students are, however, expected to be comfortable with the materials covered in the Introductory Health Economics course. This course will cover core health economics evaluation topics and selected advanced topics depending in part on the interests of students and availability of time.

Useful Texts:

Health Economic Evaluation:

Analysis of costs and Healthcare Resource Utilization:

Treatment Effects with Observational Data:

I. Health Economic Evaluation
Cost-effectiveness, Cost-utility and Cost-benefit Analyses
Readings: Zweifel et al., Chapter 2; Drummond et al. Chapters 5-7; Gray et al., Chapters 2,5.


Additional journal articles may be assigned.

II. Modelling in Health Economic Evaluation
Gray et al., Chapters 8-11
Briggs et al., Chapters 2-4
TreeAge Pro Suite 2009 Instruction Manual, Chapters 31-36. Williamstown (MA): TreeAge Software Inc.

a. Decision-analytic Models

Additional journal articles may be assigned.

b. Markov Models and Microsimulation Models

Additional journal articles may be assigned.

c. Obtaining Probabilities from Clinical/Epidemiological Studies


Moser BK, McCann MH. Reformulating the hazard ratio to enhance communication with clinical investigators. *Clinical Trials* 2008;5(3):248-252.

Buysse M. Reformulating the hazard ratio to enhance communication with clinical investigators. *Clinical Trials* 2008;5(6):641-642.


Hoyle MW, Henley W. Improved curve fits to summary survival data: application to economic evaluation of health technologies. *BMC Medical Research Methodology* 2011 Oct 10;11:139. (Note: the authors supplied an excel sheet)

Guyot P, Ades AE, Ouwens MJ, Welton NJ. Enhanced secondary analysis of survival data: reconstructing the data from published Kaplan-Meier survival curves. *BMC Medical Research Methodology* 2012 Feb 1;12:9. (Note: the authors provide their R codes)


### III. Economic Evaluation Using Patient-level data and Uncertainty

Glick et al., Chapters 7-9
Drummond *et al.*, Chapter 8
Gray et al., Chapter 4


Additional journal articles may be assigned.
IV. **Analysis of Costs and Healthcare Resource Utilization:**

Glick et al., Chapters 5-6  
Jones et al., Chapters 3, 11-12  


Additional journal articles may be assigned.

V. **Treatment Effects using Observational Data:**


Selected journal articles may be assigned.

**Methods of Evaluation**

In order to really understand applied health economics analysis, you need to have the experience of doing it by yourself. Assignments during the term will include problem solving exercises. Some problems will involve use of TreeAge Pro and STATA software packages to find solutions. You will be practicing the necessary steps to learn how to ask your software package for what you want and then how to interpret and explain the results.  

The assignments and exams will be based on lecture material, assigned readings from the textbooks, journal articles and all other assigned course materials. You are encouraged to work together with your fellow classmates on the assignments, but the answers and interpretation of the results and analysis should be your own. The course assessment will be based on class participation, five assignments, one mid-term examination to be held in class, and a final project.  

The course requirements and their weights in the final grade are as follows:

- 5% - Regular class attendance and class participation
• 30% - Four Assignments: January 21, February 11, March 10, March 31 (dates are subject to change)
• 20% - Mid-term Exam: March 17, 2016
• 45% - Final Project: April 30, 2016

Your final project should have the following components:
• The study rationale: clinical and economic significance must be clearly written upfront.
• A comprehensive review of the previous literature, including any relevant meta-analysis.
• If your project involves cost-effectiveness analysis, you must use a decision-analytic model as your analytical framework. If your project does not involve cost-effectiveness analysis, you need to use an alternative modelling framework (you are encouraged to discuss the project with the instructor in advance).
• The model assumptions must be stated clearly and must acknowledge any limitations and its implications in the discussion section.
• Conduct relevant deterministic and probabilistic sensitivity analyses as relevant to your project.
• The final project report, including discussion and policy implications should be written clearly.
• The final project should be prepared in the journal article style with the detailed results & syntax provided in an Appendix and e-mail to the instructor.

Project Milestones:
Project Proposal and Literature Review (25% weight): 1st Week of March
Proposed Methodology and Analysis Plan (20% weight): 3rd Week of March
Class Presentation (10% weight): 1st Week of April
Final Project Report (45% weight): April 30, 2016

Policy on Accommodation for Medical and Non-Medical Absences
For assignments worth 10% or more, refer to Western University’s Policy on Accommodation for Medical Illness: https://studentservices.uwo.ca/secure/index.cfm.

All non-medical absences must be approved in advance. In the case of an unexpected absence on compassionate grounds, documentation may be requested. If documentation is required by the instructor for either medical or non-medical academic accommodation, then such documentation must be submitted by the student directly to the appropriate Faculty Dean’s office and not to the instructor. It will be the Dean’s office that will determine if accommodation is warranted.

Statement on Academic Offences
Scholastic offences are taken seriously and students are directed to read the appropriate policy, specifically, the definition of what constitutes a Scholastic Offence: http://www.uwo.ca/univsec/pdf/academic_policies/appeals/scholastic_discipline_undergrad.pdf.

Support Services
As part of a successful student experience at Western, we encourage students to make their health and wellness a priority. Western provides several on campus health-related services to help you achieve optimum health and engage in healthy living while pursuing your degree. For example, to support physical activity, all students, as part of their registration, receive membership in Western’s Campus Recreation Centre. Numerous cultural events are offered throughout the year. Please check out the Faculty of Music web page http://www.music.uwo.ca/, and our own McIntosh Gallery http://www.mcintoshgallery.ca/. Information regarding health- and wellness-related services available to students may be found at http://www.health.uwo.ca/

Students seeking help regarding mental health concerns are advised to speak to someone they feel comfortable confiding in, such as their faculty supervisor, their program director (graduate or undergraduate chair), or other relevant administrators in their unit. Campus mental health resources may be found at http://www.health.uwo.ca/mental_health/resources.html

To help you learn more about mental health, Western has developed an interactive mental health learning module, found here: http://www.health.uwo.ca/mental_health/module.html. This module is 30 minutes in length and provides participants with a basic understanding of mental health issues and of available campus and community resources. Topics include stress, anxiety, depression, suicide and eating disorders. After successful completion of the module, participants receive a certificate confirming their participation.

Department & Faculty Offices
The Epidemiology & Biostatistics main office is located in K201 in the Kresge Building on Main campus.

For undergraduate academic counselling assistance, students will need to speak with the Bachelor of Medical Sciences Office: http://www.schulich.uwo.ca/bmsc/general-counselling.

Technology Requirements
You are responsible for all required course materials and announcements posted to the course’s OWL website. Please ensure after the first class that when you log in you are able to access the course site. A copy of the course outline will be available on both OWL and the departmental website.