# Summary

**Preface** ..... 1

**Introduction** ..... 3

Healthcare Dilemma ..... 3
Opportunity Cost ..... 4
Efficiency and Equity ..... 5
HTA and Pharmacoeconomics ..... 7
Pharmacoeconomics ..... 11
Sensitivity Analysis ..... 13
Summary ..... 14
Questions ..... 15
Answers ..... 16
References and Further Readings ..... 17

**1 Principles of Epidemiology** ..... 19

**1.1** Introduction ..... 19
**1.2** Study Design ..... 20
Non-Experimental Studies ..... 20
Experimental Studies ..... 24
Non-Randomized Studies ..... 31
Systematic and Narrative Reviews ..... 32
**1.3** Bias in Epidemiology ..... 33
Selection Bias ..... 34
Information Bias ..... 35
Confounding ..... 36
**1.4** Measures of Occurrence ..... 37
Incidence ..... 37
Prevalence ..... 38
**1.5** Measures of Association ..... 39
Contingency Tables ..... 39
Relative Risk ..... 39
Risk Difference ..... 41
Odds Ratio ..... 42
Hazard Ratio ..... 43

**1.6** Regressions: How to Interpret Results ... 43
Univariate Linear Regression Model ... 44
Multivariate Linear Regression Model ... 46
Questions ... 48
Answers ... 49
References ... 50

**2 Definitions and Basic Concepts** ... 53

**2.1** Definitions ... 53
**2.2** Costs ... 54
**2.3** Consequences ... 56
Economic Outcomes ... 56
Patient Outcomes ... 56
**2.4** Perspectives ... 58
**2.5** Time Horizon ... 58
Discounting ... 59
Questions ... 61
Answers ... 62
References ... 63

**3 Pharmacoeconomic Evaluations** ... 65

**3.1** Introduction ... 65
**3.2** Cost Analysis ... 66
Cost of Care ... 66
**3.3** Cost-Outcomes Analysis ... 67
Cost-Effectiveness ... 67
**3.4** Multicriteria Decision Analysis ... 70
Example: MCDA in Communicable e Non-Communicable Disease ... 71
Cost-Utility ... 73
Cost-Minimization ... 73
Cost-Benefit ... 73
Cost-Consequence Analysis ... 74
**3.5** Utility ... 74
**3.6** Psychometrics ... 75
Questions ... 78
Answers ... 81
References ... 82

**4 Modeling Frameworks** ... 85

**4.1** Introduction ... 86
**4.2** Microsimulation or Cohort Modeling? ... 87
Example: Microsimulation Model in HIV ... 88
**4.3** Steps in Decision Analysis ... 89
Example: How to Develop a Model for Emergency Contraception and Pregnancy? ... 89
Problem Conceptualization ... 89
Model Conceptualization ... 90
Model Parameter Estimation ... 92
Run the Model and Interpretation ... 93
Sensitivity Analysis, Transparency, and Validation ... 95
**4.4** Markov Models ... 96
Example: Markov Model in the Treatment of Secondary Hyperparathyroidism ... 97
**4.5** Partitioned Survival Models ... 100
Example: PSM in Advanced or Unresectable Hepatocellular Carcinoma ... 100
**4.6** Discrete-Event Simulation ... 103
Example: DES Model in TPN ... 103
**4.7** Discretely Integrated Condition Event Simulation ... 106
Example: How to Develop a DICE Model in Cancer ... 107
**4.8** Agent-Based Models ... 108
Example: AB Model in Screening Program ... 109
**4.9** Conclusions ... 110
Questions ... 112
Answers ... 114
**References** ... **115**

**5 Budget Impact Analysis** ... 119

**5.1** Introduction ... 119
**5.2** Example: Budget Impact Analysis of Apixaban to Treat and Prevent Venous Thromboembolism in Italy ... 122
Questions ... 126
Answers ... 126
References ... 127

**6 Patient Reported Outcomes** ... 129

**6.1** From Physiological Measures to Patient Reported Outcome ... 130

**6.2** Quality of Life, Health-Related Quality of Life, and Patient Reported Outcomes ... 131
Quality of Life ... 131
Health-Related Quality of Life ... 132
Patient Reported Outcomes ... 133
**6.3** Individual Health and Circumstantial Perceptions and Experiences ... 134
**6.4** Applications of PRO Instruments ... 136
**6.5** Identifying an Appropriate Instrument for Measuring PRO ... 138
**6.6** When are the Results of PROs Relevant? ... 141
**6.7** Summary and Conclusion ... 142
Questions ... 143
Answers ... 144
References ... 145

**7 Data Sources and Accounting for Uncertainty** ... 153

**7.1** Data Sources ... 153
Clinical Epidemiology ... 154
Literature Analysis ... 155
Clinical Studies ... 161
Administrative Databases ... 161
Financial Data ... 164
**7.2** Statistical Analysis ... 164
**7.3** Accounting for Uncertainty ... 166
Definition of Error ... 166
Principal Sources of Error in Clinical Studies ... 166
Reducing Error in Clinical Studies ... 167
Selection Bias in Subjects Entering the Study ... 167
Selection Bias in Subjects After Entering the Study ... 170
**7.4** Pharmacoeconomic Studies ... 170
Sensitivity Analysis ... 170
**7.5** Conclusions: Evaluating Pharmacoeconomic Studies ... 177
Questions ... 178
Answers ... 181
References ... 182

**Glossary** ... 187

**Authors** ... 193