Advanced concepts in Cost-Effectiveness and Cost-Benefit Analysis,
HS426f

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February 16, 2018

Draft (subject to change)
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Office Hours: By appointment
Office: Heller Building 274
Classroom: Schneider & Family Building G1
Meeting time: Thursday afternoon 2:00-4:50 PM

Prerequisite: HS 422F or HS 237F

Overview: This module provides students with advanced techniques to conduct or critically review cost-effectiveness and cost-benefit studies, both in the US and internationally. Students will learn how to initiate a research question, design a study, obtain and analyze relevant data, and present results. The module will examine theoretical underpinnings and operational techniques, illustrated by one or more real-world applications.

This module is built on introductory course of the cost-effectiveness analysis (CEA). One major purpose of this module is to provide students with hands-on experience in applying the software of TreeAge, one of most widely used software programs in conducting cost-effectiveness and benefit analysis, from establishing a basic decision model, to conducting Markov modelling, and to performing sensitivities analysis. The use of software of TreeAge substantially extends researchers capacities in modelling complicate health interventions resulting in long-term impact.

Evaluation: Students will be evaluated on a written paper (70% weight), two homework assignments (20% weight) and class participation (10% weight).

The written paper will require students to apply methods of cost-effectiveness or cost-benefit analysis to a problem or question of the students choice. The analysis should be based on real data where available, supplemented as needed with expert assumptions, discussed for plausibility. The paper may be set in any country and address any environmental, social or health program, policy, or system-level question. Students are encouraged to write a joint paper with one or two classmates, but may work individually if they prefer. The paper should include a title page with the names of author(s), an abstract, references, and at least one table or figure. The paper should demonstrate your ability to use TreeAge to conduct cost-effectiveness analysis. References should follow any standard style of the authors’ choice. The text should be double spaced with 1-inch margins and 12-point type. Tables and figures may use any desired spacing and consistent format. The paper should be carefully checked for spelling, grammar, and consistency of style. The maximum length depends on the group size–10 pages for a single author, and 15 pages for two authors (excluding title page, abstract, preface, table of contents, references, and any appendix materials).

Students may build on a prior paper, but the paper for this module must contain substantial advances or extensions. Papers will be judged on the strength of the data and analysis presented, as well as the clarity and organization of the paper. The due date for the final paper will be announced later.

Disability: Any student with a documented disability on record at Brandeis University who wishes to have a reasonable accommodation made for him or her in this class should contact the instructor immediately.

Software purchase: It is required to purchase the software of TreeAge Pro Healthcare for this class. Students could purchase the software at $45 at https://www.treeage.com/shop/.
Session 1. Economics modelling: cost and effectiveness measures, March 15, 2018

Objective: This section will quickly review what covered in module 1, and then focus on cost analysis and modelling effectiveness with QALYs and DALYs.

Required readings
4. Chapters 1-3 from TreeAge Pro 2017 User’s manual

Session 2. Economic modeling and decision tree, March 22, 2018

Objective: This session will discuss economic modeling in cost-benefit, cost-effectiveness, cost-utility analysis and their use in policy development. A decision tree model is often the start of the economic modelling, and it will help researchers organize their thoughts and identify parameters for the analysis. Thus this session also emphasizes on the use of decision tree to conduct economic modelling.

Required readings
1. Drummond, Chapter 9, Economic evaluation using decision analytic modeling and overview of TreeAge
3. Chapters 4-6 from TreeAge Pro 2017 User’s manual.

Session 3. Construction of decision trees and cost-effectiveness analysis using TreeAge, March 29, 2018

Objective: TreeAge is a software program that is widely used in cost-effectiveness analysis. Based on the concept discussed in session 2, the session will provide an overview of the software of TreeAge and use TreeAge to construct a decision tree.

Required readings:
2. Chapters 9, 11, 32, 33 from TreeAge Pro 2017 Users manual.

Session 4. Markov model and construction of Markov models using TreeAge, April 12, 2018

Objective: Markov model is very powerful to model the long term impact and for repeated events. The session will discuss the concept of Markov model and use excel to simulate a Markov calculation. Then TreeAge will be used to develop a Markov model.

Required readings:

2. Chapter 35 and 36 from TreeAge Pro Manual

- **Session 5. Case studies of Markov modelling, April 19, 2018**

  **Objective:** This session will build on session 4 to introduce new concepts of variables using TreeAge and simulate a case published in an article with TreeAge, and discuss a paper on cost-effectiveness analysis of vaccination.

  **Required readings:**


- **Session 6: Monte Carlo modeling and sensitivity analyses, April 26, 2018**

  **Objective:** This session addresses the development and use of simple mathematical models to address multiple sources of information, and using them for sensitivity analyses.

  **Required readings:**

  4. Chapters 16, 19, 20 of TreeAge Pro 2017 User’s Manual

- **Session 7: Cost benefit analysis and contingent valuation, May 3, 2018**

  **Objective:** This session addresses elicitation of stated willingness to pay for health products or improvements, discussing both the conceptual and practical strengths and limitations of the technique. It extends the willingness to pay beyond the cost-benefit analysis.

  **Required readings:**

  1. Drummond Chapter 7, part 7.3 What might we mean by willingness-to-pay