2001 Annual Report

Celebrating 10 YEARS *of* ACHIEVEMENT

CHERE

Centre for Health Economics Research and Evaluation

About the Centre

CHERE is a centre of excellence in health economics and health services research. The Centre aims to contribute to the development and application of health economics through research, teaching and policy support. CHERE is an independent research unit, administered through and supported by Central Sydney Area Health Service; it is an affiliated research unit of the Faculty of Medicine, The University of Sydney. The Centre is funded almost entirely by research grants, commissioned projects and consultancies including a NSW Health Research and Development Infrastructure Grant.

CHERE's research program encompasses both the theory and application of health economics. The main theoretical research theme pursues valuing benefits, including understanding what individuals value from health and health care, how such values should be measured, and exploring the social values attached to these benefits. The applied research focuses on economics and the appraisal of new programs or new ways of delivering and/or funding services.

CHERE's teaching includes introducing clinicians, health services managers, public health professionals and others to health economic principles. Training programs aim to develop practical skills in health economics and health services research.

Policy support is provided at all levels of the health care system by undertaking commissioned projects, through the provision of formal and informal advice as well as participation in working parties and committees.

CHERE's reception area

Advisory Board

Chairman's message

2001 marks a decade of high quality health services research, policy analysis and education for CHERE. Its performance is widely recognised around the world – and it is one of very few Centres that achieved the significant milestone of ten years of age.

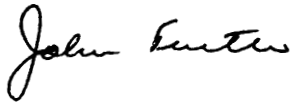
Increasingly, the economic evidence is becoming crucial in government decision making, as evidenced by its role in the Pharmaceutical Benefits Scheme, the Medical Benefits Scheme, technology assessment and other areas. Over the past ten years, CHERE has contributed to the visibility of health economics in Australia and the number of health economists. Although health economics is recognised as important in policy making, often data and methods fall short of the best scientific rigour. The continued existence of a centre of excellence in health economics remains vital to providing the best training, and to contributing to the development and improvement of methods.

Medical practitioners and other clinicians are not trained in health care economics, yet they are often involved in the development of health care programmes, the management of clinical budgets, and the measurement of costs and outcomes. Many years ago I recognised the need for clinicians to develop these skills. A familiarity with the basic concepts and methods of economics is immensely helpful. CHERE, by working at the interface between the academia and health care delivery in the Central Sydney Area Health Service, has

Professor John Turtle

brought these skills directly into the health care environment. This too is an important role for health economics and health services research.

CHERE is about to become a Centre of the University of Technology, Sydney having been affiliated with the University of Sydney for eight years. This development will provide the secure basis that is essential for CHERE to continue to develop and to increase its impact in the new millennium. It is certain that CHERE will remain at the forefront of teaching and research in health economics in Australia.



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Director's report

This Report marks ten years of health economics research and policy evaluation. The Centre for Health Economics Research and Evaluation is now a well established research unit with a national and international reputation. It is one of the few health economics research groups that have been operating for ten years. By any objective criteria, it has a record of excellence in the development and application of economic evaluation, and the analysis of health policy. Over that ten years, our staff have produced over 230 peer reviewed research papers, over 60 non peer reviewed articles, 3 books, 22 book chapters, 45 Discussion Papers and 18 Technical Reports. We have embarked on over 100 separate projects, and have attracted over $7m in research funding. These are achievements worth celebrating.

What a contrast with those early beginnings! CHERE was established with a three year operating grant for infrastructure from NSW Health, a great deal of optimism, and not much more. There were six professional staff, three of whom had been recruited from overseas. And for the first few years we continued to rely on importing additional health economists. We were located in offices provided by the Department of Community Medicine at Westmead Hospital – situated beyond the kitchen.

CHERE now has 15 research and 4 support staff. In addition, we have two visiting research fellows, Professor Jordan Louviere and

Associate Professor Jane Hall

Professor Denzil Fiebig, who add substantially to the breadth and depth of expertise encompassed in the group. Our office accommodation was designed to meet our needs for team work and open communication.

These changes reflect not just the maturity of our group but also the increasing recognition of the role that health economics has to play in health policy, planning and evaluation. Health economics and health economists are facing increasing demand. Health economics is seen as a specialised field of research in its own right, generating its own research questions and setting its own methodological standards. It is also a collaborating partner in research, helping to define research questions not just the bit that is tacked on at the end to work out what it costs. Policy makers, managers and clinicians no longer ask what health economics is or why they should use it, rather they ask how health economics will tackle an issue and where they

can find a good health economist. In education, people do not need an introduction to health economics; they want to learn how to apply it. Educational programs, such as the one we have developed with NSW Health, and the programs provided through Monash University, are attracting bright young economists to health research and policy.

Looking back, I can see three major milestones so far. First, the completion of the first three years. For that time, the emphasis was on building a team, developing the skills of all of us, and responding to the needs for economic analysis at service delivery, service planning and policy levels. The second stage was marked by a move from Western Sydney to Central Sydney Area Health. Acquiring our own accommodation was symbolic in that it gave a sense of substance and continuity. Around this time we were awarded a Commonwealth Government Public Health Education and Research Program grant for health economics education, and much of our activity was focused on these educational programs, sometimes at the expense of our research. The third stage has been the development of a research strategy which aims to extend the frontiers of health economics and health services research. The award of the Medical Foundation Program Grant provided the support that enabled us to do that. We have pioneered the development of stated preference discrete choice modelling to health care decisions. And we have sought to develop strong collaborative links with specialists working outside health, with the involvement of Professor Louviere from marketing, and Professor Fiebig from econometrics.

Now, at the start of our second decade, we have reached another milestone. From early 2002, the Centre for Health Economics Research and Evaluation will become a Centre of the University of Technology, Sydney (UTS). CHERE will be a joint Centre of the Faculty of Business and the Faculty of Nursing, Midwifery and Health; and it will continue to be affiliated with Central Sydney Area Health Service.

CHERE has been formally affiliated with the University of Sydney for eight years. My personal association with the Department of Public Health at the University of Sydney goes back more than twenty years, and my association with the University generally extends more widely. So this was not a decision to be taken lightly.

The problem faced by CHERE is shared by other health services research groups in this country. CHERE has had no continuing funding for any of its positions, not even key, senior staff. Thus, it is difficult to keep talented and experienced staff; and increasingly it is proving difficult to secure their salaries from research grant funds. In such an environment, it is also difficult to pursue long term and strategic research directions. This was not a sudden realisation, and, with the support of the CHERE Board, we have been involved in an

Marion Haas, Jane Hall and Rosalie Viney

extensive process of exploring and considering options for our future.

UTS has embarked on a strategic plan to develop research centres of excellence. The UTS vision for research development accords with ours, has identified health research as a major area of opportunity, and is backed up by a commitment to invest in research excellence. This offers a conducive environment for the consolidation of what has been achieved at CHERE, and a secure grounding for its continued thriving into its second decade.

Throughout our first ten years, we have had a commitment to the professional development of all staff working here, and to the building of collaborative teams. This is evident in the clear increase in the skills and expertise that CHERE contains, and the number of staff who have stayed with the group.

Patsy Kenny has been with the group from the beginning; during that time she has been awarded an MPH and been promoted to Senior Research Officer. Patsy combines quantitative and qualitative research skills with great attention to detail. Madeleine King joined the staff in our first year and has now been appointed a lecturer at CHERE, UTS. She has developed her interests in quality of life measurement, particularly in the context of cancer treatment, and is acquiring an international reputation for her research in this field. Marion Haas spent time with CHERE in 1991, during her Public Health Officer Training Program and returned in 1994 as a Research Officer. Over that time, she has built considerable expertise in qualitative research

methods, has pioneered the use of discourse analysis in understanding health policy debate, and led numerous research and commissioned projects. She has also shared the management workload, becoming Deputy Director in 1995. She has now been promoted to senior lecturer at CHERE, UTS. Rosalie Viney also joined CHERE in 1994. Coming from a policy background, it was natural that she would lead policy support projects. She has also developed her own research directions, focussing on the valuation of the benefits derived from health care with a particular interest in how risk and uncertainty should be treated. Rosalie took over as Deputy Director from Alan Shiell. She, too, has now been appointed as a senior lecturer.

During the year, Richard de Abreu Lourenco left to further his career in the private sector. Richard is greatly missed, both for his research and organisational skills and as a great team member. He had been with CHERE for a number of years, first as part of the NSW Health Economics Training Program, and then as a member of the research staff.

Elizabeth Savage joined CHERE this year, on secondment from the Faculty of Economics and Business at the University of Sydney. Elizabeth is a microeconomist, interested in both theoretical and empirical work. Her previous work has been in taxation, modelling demand, and measurement of social welfare. She has brought new insights to the group and we are fortunate that she has accepted an offer to join

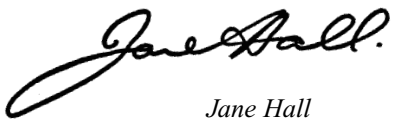
Patsy Kenny at the 2nd New Zealand Australia Health Services and Policy Research Conference

CHERE at UTS. Also joining the group this year are Ajsa Mahmic and Lorraine Ivancic. Ajsa has joined the team for the longitudinal study of asthma. She is completing an MPH and has previous experience in public health research. Lorraine has recently completed an honours thesis in economics looking at the impact of ageing on health care expenditure. She is working on a range of projects, including several on cancer treatment.

All in all, we have a great team ready to meet the challenges and opportunities of our second decade. As Director, I am very appreciative of the support, hard work and enthusiasm of everyone associated with CHERE. In particular, I cannot thank enough Marion Haas and Rosalie Viney for their sharing of the management workload and wise counsel in strategic and practical directions. The CHERE Advisory Board, especially Professor John Turtle as its

chair, have supported and encouraged us as we have charted new directions. The Board of Central Sydney Area Health Service and the Chief Executive Officer, Dr Diana Horvath, have similarly been a source of encouragement and guidance, always considering what is best for the future of CHERE.

Over the last ten years, there have been many people who believed in the development of health economics through the Centre for Health Economics Research and Evaluation. Gavin Mooney was the first to encourage me. Karen Gerard was there at the beginning, and Alan Shiell who as the first Deputy Director was crucial in ensuring the survival of the Centre during its first years. From NSW Health, the support of Dr Sue Morey, Dr George Rubin, Dr Michael Frommer and more recently Dr Andrew Wilson was vital. And at Westmead Hospital, Western Sydney Area Health Service and the University of Sydney, the support of Professor Peter Castaldi, Dr Owen Curteis, Dr Jennifer Alexander, Professor Stephen Leeder and Professor John Young was invaluable. This annual report shows their belief has been realised.



Jane Hall

The University of Sydney
Centre for Health Economics Research & Evaluation Foundation

The objects of the Foundation are to support teaching and research in health economics at the University of Sydney. The Foundation is able to assist with funding appointments in CHERE, to provide scholarships and grants-in-aid to CHERE staff and to support visiting scholars.

The Foundation funded the Director, Associate Professor Jane Hall, the Deputy Director, Rosalie Viney and Elizabeth Savage, Marian Shanahan and Kees van Gool to attend the International Health Economics Association Conference in York.

It also funded Marion Haas, Rosalie Viney, Elizabeth Savage, Patsy Kenny, Rob Anderson, Kees van Gool, Emily Lancsar, Christine Pollicino and Catherine Kinsella to attend the Health Services & Policy Research Conference in Wellington, New Zealand.

Foundation revenue was derived from a number of commissioned projects including a consultancy for the Victorian Treasury Department, work for the National Drug & Alcohol Research Centre, the NSW Health Department and Central and Western Sydney Area Health Services. A grant was received from the Commonwealth Department of Health and Aged Care for the work associated with establishing the Health Services Research Association of Australia & New Zealand.

The Foundation was established by resolution of the Senate of the University in December 1996. President of the Foundation is Prof John Turtle who is also Chair of CHERE's advisory board. Other members of the Foundation are Professor John Young, Dr Diana Horvath, Mr Peter Burrows and Associate Professor Jane Hall.

Policy Support

CHERE is an active participant in the policy process through the provision of advice at all levels of the health system. This can be formally through membership of working parties and committees, through the conduct of commissioned projects, and informally through education, dissemination of research results, and general contacts.

This year Rosalie Viney has joined the Health Economics Sub-Committee of the Pharmaceutical Benefits Advisory Committee. Jane Hall is now a member of the Medical Services Advisory Committee. These two committees are charged with the use of economic evaluation in determining what items should be eligible for government subsidy, an approach pioneered by the PBAC, and covering the two major areas of Commonwealth government health expenditure.

Participation in international forums complements this work. Jane Hall is the Australian member of the Co-Ordinating Committee for the International Health Program in Health Policy sponsored by the The Commonwealth Fund, a philanthropic foundation based in New York. She is also the Australian representative of the Harkness Fellowships which are administered under this program. There are now five Australian Harkness Fellows in Health Policy and one is currently partway through the Fellowship in the US. This year we undertook an extensive campaign to promote the Fellowships and to increase Australians' interest in health services research and policy. As a result, there was a substantial increase in the number of applications, and three Australian Fellows have been selected for the next 2002-3 Program.

The Centre has played a pivotal role in the establishment of the Health Services Research Association of Australia and New Zealand, with some support from the Commonwealth Department of Health and Aged Care. Jane Hall is the current President, and Rosalie Viney is a member of the Executive Committee.

Emily Lancsar is currently Vice-President of the Australian Health Economics Society, ensuring that CHERE staff play an active role in that professional association also.

Commissioned projects have always been part of the CHERE research portfolio and provide a direct means of addressing the problems of managing the health system. Commissioned projects undertaken this year covered a wide range of topics including:

- The NSW Health survey
- Shared care for hepatitis C patients
- Elective surgery waiting list reduction
- Asbestos diseases research and treatment
- Oral therapy for the treatment of osteolytic bone metastases
- Cervical screening
- Drug Courts
- Treatment for illicit drug use

CHERE also contributes to the public debate on health policy. The regular publication of our newsletters is a means by which research can be brought to bear on current policy issues. Staff also take the time to publish in non-peer reviewed journals and magazines, thus reaching a different audience than the academic press. Jane Hall is a regular commentator on health policy in the popular media.

In 2001 staff at CHERE contributed to the following working parties and committees at International, Commonwealth, State and Area Health Service levels.

Board

Jane Hall
International Health Economics Association (iHEA)

Elizabeth Savage
Uniting Care Ageing & Disability Service

Committees

Commonwealth

Jane Hall
Medicare Services Advisory Committee (MSAC)

Emily Lancsar
Medicare Services Advisory Committee (MSAC) – Supporting committee on Fragile X Syndrome

Rosalie Viney
Economic Sub Committee of the Pharmaceutical Benefits Advisory Committee (PBAC)

NSW Health

Jane Hall
Australian Medical Workforce Advisory Committee (AMWAC)
AMWAC Working Party on career choice and workforce participation

Other

Jane Hall
NSW Cancer Council
Member, Research Committee
The Commonwealth Fund
International Health Policy Program Coordinating Committee
Australian Representative, Harkness Fellowships in Healthcare Policy
New Zealand Australia Health Services & Policy Research Conference Organising Committee
Health Services Research Association of Australia & New Zealand (HSRAANZ) Executive Committee

Rosalie Viney
National Advisory Committee for the Cervical Screening Program New Technologies Working Group (NAC Subcommittee)
NAC New Technologies Working Group
Health Services Research Association of Australia & New Zealand (HSRAANZ) Executive Committee

Research

Ensuring value for money is the key health policy issue across all developed countries. There is much that is encapsulated in that statement and there are various ways in which health economics research can contribute to this goal.

The first is through establishing and measuring the costs and benefits of health interventions. Economic evaluation is now well established as a policy and planning tool. Much of our work involves the application of economic evaluation to new or established interventions and programs, as can be seen in the project descriptions that follow. The approach is readily applied to interventions that are clearly identified, are discrete, and for which the outcomes are immediate. Many health programs do not fit into such a neat category as they may involve multiple strategies and complicated relationships between cause and effect. For these studies we need to turn to the emerging methods for the evaluation of complex interventions. Increasingly, our economic evaluations are this type of study. Where the relationships between intervention and outcome involve many different steps, it is necessary to develop quite complex decision analysis models that can be used to estimate long term outcomes and costs. We are developing substantial expertise in this field.

Cost effectiveness analysis is the method of economic evaluation most frequently applied to health programs. These studies use a unidimensional measure of outcome, such as life years gained. Yet health service goals clearly encompass quality of life as well as survival. Therefore, there are many applied studies in which quality of life is an important outcome. Although quality of life research has been well recognised in its own right for the last two decades, there remain many theoretical and methodological issues which are unresolved. The validation of quality of life measures, establishing their sensitivity and responsiveness to changes, and the appropriate analytic techniques particularly for measures repeated over time have been and will remain an important component of our research program.

Yet the outcomes of health care may involve more than survival and quality of life. These other consequences may include information and the process of care itself. In public health programs, the impact of information and risk is particularly relevant. Screening programs, for example, provide information about health status which may be reassuring, or may be anxiety provoking. Immunisation involves taking a risk of side-effects now in return for reducing the risk of disease later. Valid economic evaluation requires that all of these consequences be taken into account. A major strand of our work is concerned with developing a framework and the appropriate methods to measure, value and incorporate these into economic evaluation. In other fields of economics, stated preference discrete choice approaches have proven valuable. We have developed substantial expertise in these

methods and are among the pioneers in transferring these techniques to health care. This work has been undertaken as part of the Medical Foundation Program Grant.

At the health system level, there is a need to understand the drivers of costs, utilisation and equity. We are developing projects which explore these issues, primarily using large administrative data sets. This area of research is under-represented in Australian health services research. It is often said that countries choose what they spend on health care. But, in fact, there is no decision that determines the health care budget and how it will be allocated. Rather, expenditure and service utilisation is the result of many individual decisions, made by different agents at different times. Therefore, understanding how individuals make decisions, what influences their choices, and how the decisions and preferences of consumers and providers interact. This is a developing theme of our research program.

Finally, the assessment of 'value for money' requires an understanding of the social context and value of health care. This involves understanding how health programs and the organisation of health care contributes to our notions of a good society. This in turn requires an identification of the benefits of health programs, for individuals both as health care consumers and as citizens.

CHERE has developed a research strategy which addresses some of the major issues in economics and health economics while remaining policy relevant. While much of our research remains applied and focused on immediate health policy and service issues, we also pursue theoretical and methodological research. Through this, we aim to extend the frontiers of health economics and health services research.

Two members of the Drug Court Project, Emily Lancsar and Marian Shanahan

Projects

Medical Foundation Program Grant

Economic evaluation of screening using choice modelling

This project is a multi phase economic evaluation of genetic screening for Tay Sachs disease and cystic fibrosis. It comprises an evaluation of genetic screening programs in NSW for these conditions, and investigates how screening might otherwise be organised to increase participation. The project is novel in its approach to the evaluation in that it uses stated preference discrete choice modelling, a preference elicitation technique, to gain a better understanding of how decisions are made in genetic screening. This technique also enables the elicitation of values for outcomes of screening other than the number of carriers detected or cases avoided. At this stage, information on individuals' decisions to participate in screening has been collected and preliminary results presented at an international conference.

The next phase of the project will incorporate this into evaluating the current programs and modelling likely variations to those programs. Information on program costs has been collected and analysis will be completed in 2002. Eliciting social preferences for genetic screening is the final phase of the project and will also be completed in 2002.

Funding source	NHMRC Medical Foundation Program Grant
CHERE staff	Jane Hall Rob Anderson Kees van Gool Rosalie Viney Marion Haas Madeleine King Patsy Kenny Jordan Louviere Richard de Abreu Lourenco
Collaborators	Leslie Burnett[1]

1. Pacific Laboratory Medicine Services, Northern Area Health Service

Genetic Screening Project, Kees van Gool, Rob Anderson, Patsy Kenny and Jane Hall

Factors influencing the decision to accept cystic fibrosis carrier testing

This study will use Stated Preference Discrete Choice Modelling (SPDCM) to identify the factors influencing the decision to accept cystic fibrosis carrier testing in patients undergoing fertility treatment, and to explore the extent to which attitudes towards cystic fibrosis carrier testing vary within this patient population. This study has the potential to inform the future development of cystic fibrosis carrier testing programs for this patient population. In addition, taken together with results from a similar survey in the general population, it will contribute to a conceptual model of attitudes to genetic testing before pregnancy.

Funding source	Medical Foundation Program Grant
CHERE staff	Jane Hall Patsy Kenny Christine Pollicino Jordan Louviere Madeleine King
Collaborators	Geoffrey Driscoll[1]

1. Medical Director of City West IVF, Westmead.

CRC for Asthma Project, Ajsa Mahmic, Patsy Kenny, Jane Hall and Emily Lancsar

Cooperative Research Centre for Asthma

The Cooperative Research Centre for Asthma (CRCA) was established in October 1999 under the Commonwealth Government CRC Program. CHERE is one of 6 research partners within the CRCA. Other research partners include the Institute of Respiratory Medicine, the University of Sydney, Monash University, the Garvan Institute of Medical Research, and the University of Western Australia. The NSW Department of Health and six pharmaceutical companies are involved in the CRCA as supporting members.

CHERE is responsible for one of the 12 Projects within the CRCA. CHERE's role within the CRCA is two fold. First, to undertake a number of research studies on the economics of asthma and second to provide ongoing economic support and advice to the other 11 Projects within the CRCA.

The economic burden of asthma – a longitudinal cohort study investigating costs and utilisation

The aim of this research is to quantify the economic burden of asthma from the perspective of the patient and the health care system. The major outcome of this research will be the provision of the first longitudinal data on the cost and utilisation of health services and products for the management of asthma in Australia. Understanding the services used and costs borne by patients with has important policy implications in

terms of improving access to services, providing an efficient mix of services and providing valuable evidence on out of pocket expenses. This study will provide insights into whether costs act as a barrier to asthmatics obtaining optimal asthma management and whether service utilisation and costs differ according to health insurance status, rurality and different cultural backgrounds. Study participants include two samples of asthmatics from throughout NSW: a community sample and a sample of asthmatics who recently attended a hospital emergency department due to asthma. The study will collect information about their use of products and services to manage asthma, the out of pocket costs they face and their quality of life over 5 years. Data collection has commenced via surveys and from routine health data sources and will continue at six monthly intervals.

Funding source	Cooperative Research Centre for Asthma
CHERE staff	Jane Hall Emily Lancsar Patsy Kenny Madeleine King Ajsa Mahmic
Collaborators	Dr Guy Marks[1]

1. Institute of Respiratory Medicine

Economic evaluation of three asthma medications

CHERE is undertaking the economic evaluation of 3 asthma medications within a randomised controlled trial as part of another CRCA research project. Stated preference discrete choice modelling (SPDCM) is being used to investigate patient preferences for the 3 trial medications for the attributes of each medication. SPDCM will also be used to estimate patients' willingness to pay for the 3 asthma medications. Two cost effectiveness analyses will also be undertaken. This will allow a comparison of the use of different outcome measures. Finally, patients' stated preferences derived from the SPDCM will be compared with patients' revealed preferences for ongoing treatment collected via a survey after the completion of the clinical trial. The past year has been spent collecting the relevant data.

Funding source	Cooperative Research Centre for Asthma
CHERE staff	Jane Hall Emily Lancsar Patsy Kenny Jordan Louviere Madeleine King
Collaborators	Dr Christine Jenkins[1]

1. Institute of Respiratory Medicine

Peer reviewed grants

Economic evaluation of the use of PET in the management of non-small cell lung cancer

Positron Emission Tomography (PET) is a functional imaging technique. Over the past decade there has been growing recognition of its potential role in the management of cancer patients, in particular in diagnosis and staging of disease. One area where it has been widely used is in staging apparently resectable non-small cell lung cancer. PET can potentially avoid the morbidity and resource use associated with unnecessary surgery. However, this role has not been adequately evaluated as yet. This study is a randomised controlled trial to examine the impact of the use of PET on costs and outcomes of care for patients with non-small cell lung cancer. Consenting patients were randomised either to undergo a PET scan or not prior to the final decision about surgery being made. All patients in the study are being followed up for 2 years.
The study will assess the proportion of patients for whom unnecessary major surgery is avoided, and the impact of PET on resource use and patient quality of life. Recruitment for the study finished in December 2000. Initial results from the study are expected in early 2002.

Funding source	NHMRC
CHERE staff	Rosalie Viney Christine Pollicino Patsy Kenny Madeleine King Marion Haas Jane Hall
Collaborators	Michael Fulham[1] Brian McCaughan[1] Michael Boyer[1] Jocelyn McLean[1] Sandra Wojcinski[1]

1. Royal Prince Alfred Hospital

PET Project, Christine Pollicino, Madeleine King, Rosalie Viney and Patsy Kenny

Antenatal day care for high risk pregnancy: an economic evaluation alongside a randomised controlled trial

Antenatal day care is being introduced into maternity care in Australia as a substitution to hospital admissions for high-risk pregnancies. This is a prospective study of the outcomes and costs in a randomised controlled trial underway at the Royal Women's and Children's Hospital, Adelaide. This year saw the completion of the randomisation and data collection, the full data analysis will be completed in 2002.

Funding source	NHMRC
CHERE staff	Marian Shanahan
Collaborators	Deborah Turnbull[1] Chris Wilkinson[2] Karen Gerard[3]

1. Department of General Practice, University of Adelaide
2. Department of Obstetrics and Gynaecology, Royal Women's and Children's Hospital, Adelaide
3. Health Care Research Unit, Southampton General Hospital, Southampton University

Other research in progress

Methods for interpreting and comparing quality of life measures

There are many instruments that measure the impact of disease and treatment on the health-related quality of life (HR-QoL) of patients. This abundance makes it difficult to develop the familiarity required to interpret scores and to accumulate evidence across studies. This project develops some methods for comparing and interpreting QOL measures, and illustrates them with two instruments designed to measure QOL in cancer clinical trials: the Functional Living Index - Cancer (FLIC) and the Quality of Life Questionnaire Core module (QLQ-C30). Little work has been done on the longitudinal comparison of instruments, even though most applications of QOL assessment are longitudinal. This project has developed two novel methods, both for longitudinal data. One uses multivariate multilevel models to compare how two instruments distinguish between patients and how they register various aspects of change in QOL over time. The other generalises a standard responsiveness index for paired differences so that responsiveness to change in QOL may be assessed using more than just two observations per person, and then compared in a statistically rigorous way. One of the problems with understanding HR-QoL results is that most researchers have limited experience with most HR-QoL scales, and interpretation guidelines for HR-QoL instruments are rare. Another output from this project is interpretation guidelines for FLIC or

QLQ-C30. These illustrate how collective experience with HR-QoL measures can be synthesised into guidelines for interpreting scores.

Funding source	CHERE
CHERE staff	Madeleine King
Collaborators	Annette Dobson[1]

1. Department of Social and Preventive Medicine, Faculty of Health Sciences, University of Queensland

Madeleine King, Statistician

Non-health consequences of health care: how important are they to patients?

There may be more to the consequences of health care than health. For example, a review of literature written from the patient's perspective reveals that patients appear to value non-health processes and outcomes such as having input to decision making, receiving information and reassurance, being treated with dignity, having their emotional distress recognised, developing mutual trust with the providers of care and having their illness legitimated. In ongoing research, the importance of these concepts to patients in Australian health care settings will be explored. Using patient's descriptions (positive and negative) of actual health care experiences, an attempt will be made to clarify the value patients assign to these experiences and the extent to which they positively or negatively evaluate health care providers and/services based on their experiences. It is hoped that the results of this research will add to our knowledge of what patients want (ie. what ideal combination of processes and outcomes) and therefore what health care professionals and services should be striving to provide.

Funding source	CHERE
CHERE staff	Marion Haas

Understanding and valuing risk in health care decision making: issues for economic evaluation

Economic evaluation is concerned with capturing the value of health care interventions to society. Health care involves risk and uncertainty. Thus, the value of health care interventions to individuals will incorporate the value of the outcomes and the value of the risk. If individuals value risk, then this is relevant to the value that society places on health care, and on different health care interventions. However, none of the conventional methods of economic evaluation have adequately considered the impact of the value of risk associated with health care. The conventional approaches have not distinguished between aggregating the value of the expected outcomes of the intervention to the individual and valuing the aggregated outcomes of the intervention to the population. This project involves investigation of the issues which arise from recognising the need to include the value of risk and uncertainty associated with health care in economic evaluation.

Funding source CHERE

CHERE staff Rosalie Viney

Deriving welfare measures from Stated Preference Discrete Choice Modelling experiments

The use of Stated Preference Discrete Choice Modelling (SPDCM) is gaining currency in the health economics field as a method of eliciting: preferences for goods and services; the rate at which individuals are prepared to trade off different attributes of a good or service; and the willingness to pay for goods and services. A key issue is whether commonly adopted measures are consistent with microeconomic welfare theory. The purpose of this project is to develop welfare measures from SPDCM data that are consistent with microeconomic welfare theory, that is, to derive the Hicksian compensating variation from discrete data.

Funding source CHERE

CHERE staff Emily Lancsar

Rosalie Viney Deputy Director

The cost-effectiveness of out-of-hours dental services

This project is comparing the cost and effectiveness of alternative arrangements for providing out-of-hours dental care, in the UK context. Whilst the empirical surveys for the cost-effectiveness analysis were carried out in the UK, the cost-effectiveness modelling and policy analysis have been carried out at CHERE. To date the work has informed two publications in peer-reviewed journals, and is the only research on dental services cited in the recent UK government report Reforming Emergency Care. In addition to the core cost-effectiveness analysis, the work incorporates a broader analysis of related issues - such as, the organisation of emergency services, demand management strategies (e.g. triage mechanisms and telephone advice-lines) - as well as furthering methods for evaluating complex and primary care service models.

Funding source	MRC (UK) and Wales Office of Research and Development in Health and Social Care
CHERE staff	Rob Anderson
Collaborators	Dave Thomas[1] Ceri Phillips[2]

1. Department of Oral Surgery, Medicine & Pathology, University of Wales College of Medicine, Cardiff, UK
2. Centre for Health Economics and Policy Studies, University of Wales, Swansea, UK

Breast screening utilisation in NSW: The impact of income, region and ethnicity

Using data from the NSW Health Survey, this project examined mammography screening services, and analysed whether a woman's socio-economic status, region of residence or ethnicity significantly altered their probability of regularly screening for breast cancer. Different aspects of this work were presented at conferences in York and Wellington. Work on the validity of self-reported screening and issues of supply has also commenced.

Funding source	CHERE
CHERE staff	Marion Haas Elizabeth Savage Kees van Gool
Collaborators	Stephen Birch[1]

1. Centre for Health Economics & Policy Analysis, McMaster University

Rob Anderson

Commissioned projects and consultancies

An analysis of the costs and benefits of the NSW Health Survey Program

This project aimed to assess the costs and benefits of the NSW Health Survey Program. It focussed on the choices currently faced by NSW Health between having separately funded discrete surveys or a continuous survey program, and between having separate surveys for adults and other age-groups or a 'whole-population' survey. The findings of the study were based on a survey of recent health survey data users (conducted by NSW Health); a follow-up telephone survey of those who reported that their use of the NSW Health Surveys was to inform health planning and policy change, or to evaluate programs and policies, and five case studies of selected survey data users. Despite the challenges of 'measuring' the impact of survey data on health policies or programs in any systematic way, the study identified the range of ways in which the survey data is used, and the aspects of both the data itself and the way it is made available which enhance its usefulness.

Funding source	NSW Health
CHERE staff	Rob Anderson Jane Hall
Collaborators	Epidemiology and Surveillance Branch, NSW Health

The cost effectiveness of shared care compared with usual hospital care for people with Hepatitis C

This project was carried out in two phases: the first assessed the cost-effectiveness of shared care in terms of the cost per patient completing the full course of combination therapy (Interferon alfa with Ribavirin over 48 weeks); the second phase extended the initial study, by modelling the effects of treatment completion and non-completion on the long-term progression of chronic hepatitis C to the more serious, and expensive-to-treat, complications of the disease. This was achieved using a Markov model previously developed for evaluating hepatitis C preventive measures in the Australian context. The first phase of this project has been published as a CHERE Project Report. The second phase identified those treatment effectiveness and cost assumptions under which the long-term cost savings exceeded the additional costs to Queensland Health of providing shared care.

Funding source	Communicable Diseases Unit, Queensland Health
CHERE staff	Rob Anderson Marion Haas
Collaborators	Queensland Medical Education Centre
	Royal Brisbane Hospital Research Foundation
	RBH Department of Gastroenterology and Hepatology

Economic evaluation of the Auburn hospital elective surgical program

Concern has been raised over waiting lists and the associated waiting times for elective surgery. Clinicians from Western Sydney Area Health Service have designed a new approach to manage the delivery of elective surgery. Interesting features of this approach include: the re-structuring of surgical payments from a sessional to fee-for-service arrangement and the use of a common waiting list. CHERE has been employed to undertake the evaluation of this program.

Funding source	NSW Health
CHERE staff	Jane Hall Christine Pollicino Philip Haywood

Lorraine Ivancic

Assessing the cost of alternative models for a proposed Asbestos Disease Research Institute

In response to identified gaps in asbestos disease research, treatment and other related activities, an Asbestos Disease Research Institute was proposed to the NSW government by stakeholders including the Australian Manufacturing Workers' Union, the Electrical Trades Union, the Maritime Union of Australia and the Asbestos Disease Foundation of Australia. Following an analysis of the proposal, the Council on the Cost and Quality of Government identified five models which could potentially address these gaps. CHERE was commissioned by the NSW Premier's Department to estimate the cost of the alternative models, identify potential sources of funds and assess the models against a range of economic and non-economic criteria.
The models were assessed on the grounds of technical efficiency, allocative efficiency, equity, quality, feasibility and the potential impact on people with asbestos related diseases, their families and carers.

Funding source	NSW Premier's Department
CHERE staff	Rosalie Viney Marion Haas Lorraine Ivancic

Hospital cost comparison of three alternative drug therapies to treat osteolytic bone metastases

CHERE has been commissioned by Aventis Pharma Pty Ltd to estimate hospital administration costs associated with the use of Bonefos and two alternative drug therapies in the treatment of osteolytic bone metastases due to breast cancer and multiple myeloma. This project involves identifying standard treatment protocols associated with the use of alternative drug therapies and outlining decision trees to link the probability of treatment events with per unit costs. A spreadsheet from which hospital costs associated with drug administration in alternative hospital settings can be estimated will also be produced.

Funding source	Aventis Pharma Pty Ltd
CHERE staff	Jane Hall Lorraine Ivancic

Two members of the Cervical Screening Project, Marian Shanahan and Rob Anderson

Cost effectiveness analysis of cervical screening

The project, which will be completed in 2002, centres around evaluating whether the current screening strategy of biannual screening for all women between the ages of 20 and 69 is cost effective compared to alternative screening strategies. Prevention of cervical cancer through the early detection and treatment of cervical abnormalities continues to be a national health priority. The aim of the project is to report the resource use and outcomes being achieved in the current screening strategy. In addition, a Markov model will be used to assess the impact of changes to the screening age and screening interval on resources use and outcomes.

Funding source	Commonwealth Department of Health and Aged Care
CHERE staff	Marian Shanahan Rob Anderson Marion Haas Richard De Abreu Lourenco Jane Hall
Collaborators	Dr Marion Saville[1]

1. Victorian Cytology Services

Cost effectiveness of the NSW Adult Drug Court Program

Adult Drug Courts are relatively new in the judicial system. They are a new approach to dealing with substance addicted criminal offenders – that of therapeutic jurisprudence, incorporating elements of both the judicial and health care systems. The aim of this project which will be completed early in 2002 evaluates the cost effectiveness of the NSW Adult Drug Court. This project extends CHERE's work in economic evaluation beyond health care and into the judicial and correctional system. The focus of the project is to evaluate whether it is more cost effective, in terms of achieving reductions in the rate of re-offending, or the time to re-offending for non violent offenders who are addicted to be diverted into a structured program of rehabilitation, life skills and methadone treatment – the NSW Adult Drug Court, compared to conventional court and correctional system.

Funding source	NSW Bureau of Crime Statistics and Research
CHERE staff	Marian Shanahan Marion Haas Emily Lancsar Richard De Abreu Lourenco
Collaborators	Don Weatherburn[1] Bronwyn Lynd[1]

1. NSW Bureau of Crime Statistics and Research

Australian Treatment Outcomes Study

In 2000 CHERE joined a research team based at the National Drug and Alcohol Research Centre (NDARC) to work on the Australian Treatment Outcomes Study. This is a three year study focusing on treatment for problems associated with illicit drug use. The project focuses on describing the characteristics of people in treatment, the resources used in treatment and the outcomes achieved by treatment. Subjects will be drawn from three treatment groups - methadone maintenance treatment, community based residential treatment centres, and detoxification programs. Use of health care services among these groups will be compared to that among similarly matched illicit drug users not in treatment. CHERE's role in the project is twofold – to advise on the development and implementation of collection forms for resource activity and data; and to undertake the economic analysis in the final stages of the project.

Funding source	National Drug and Alcohol Research Centre (NDARC)
CHERE staff	Marian Shanahan Richard De Abreu Lourenco Rosalie Viney
Collaborators	Maree Teeson[1] Shane Darke[1]

1. National Drug and Alcohol Research Centre (NDARC)

The National Evaluation of Pharmaceutical Opioid Dependency (NEPOD)

This multi-site, multi-treatment study which was undertaken by the National Drug and Alcohol Research Centre (NDARC) was completed in 2001 with a report delivered to the Commonwealth Department of Health and Aged Care. NEPOD included 11 randomised outcome trials plus 4 single-treatment outcome studies for which core data was collected. Treatments included the pharmacotherapies of buprenorphine, LAAM, naltrexone and methadone. One purpose of the study was to assess the relative cost-effectiveness of various methods of providing withdrawal and maintenance programs for heroin or methadone dependent patients. CHERE provided ongoing health economic advice in the conduct of this project.

Funding source	National Drug and Alcohol Research Centre (NDARC)
CHERE staff	Marian Shanahan Jane Hall
Collaborators	Richard Mattick[1] Chris Doran[1] Erol Digiusto[1]

1. .National Drug and Alcohol Research Centre (NDARC)

Economic evaluation of Tai Chi for the elderly

Tai Chi has been shown to be effective in not only addressing some risk factors such as balance and gait, but also in reducing the number of falls experienced by older people. A randomised controlled community trial of Tai Chi classes is being conducted by the Health Promotion Unit at Central Sydney Area Health Service (CSAHS) where subjects will be randomly allocated to either an initial-intervention group or a waiting-list control group. CHERE will conduct a cost-effectiveness analysis alongside this RCT. The study, which began in 2001, will be conducted over a three year period.

Funding source	NSW Health Department Health Promotions Unit, CSAHS
CHERE staff	Marian Shanahan Christine Pollicino Rosalie Viney
Collaborators	Alex Voukelatos[1] Dr Chris Rissel[1] Dr Robert Cumming[2] Dr Stephen Lord[3]

1 Health Promotion Unit, CSAHS
2 University of Sydney
3 Prince of Wales Medical Research Institute

Medical Benefits Fund (MBF)

Together with MBF Health Management Division, CHERE examined the economic issues associated with a number of innovative projects including mental health, diabetes management and prevention of cardio-vascular disease. CHERE undertook a number of literature searches and reviews in these clinical areas and based on this work, developed a model aimed at predicting the impact of preventing complications associated with diabetes.

Funding source	MBF
CHERE staff	Marion Haas Kees van Gool
Collaborators	MBF Health Management Group

Reducing demand for acute services through improving public health

This project was undertaken on behalf of the Victorian Department of Treasury and Finance, which examined the potential impact of public health interventions on the acute care sector. Work undertaken included a comprehensive literature search of public health interventions and alternative management interventions and an analysis of public health expenditure in the Australian States and Territories and other comparable countries. The project also examined potential benchmark and performance management processes by which public health interventions could be measured for their economic impact.

Funding source	Victorian Department of Treasury and Finance
CHERE staff	Marion Haas Rosalie Viney Elizabeth Savage Kees van Gool Rob Anderson Emily Lancsar Liz Chinchen

Some members of the Victorian Treasury Project, Rob Anderson, Kees van Gool, Emily Lancsar and Liz Chinchen

Publications

Peer reviewed

Anderson R, Treasure ET, Sprod AJ. Oral health promotion practice: A survey of dental professionals in Wales. *International Journal of Health Promotion and Education,* (in press).

Bridges J, Mazevska D, Haas M. Developing better casemix education for rural New South Wales. *Australian Journal of Rural Health,* 2001; 9: 193-199.

Bridges JFP, Stewart M, King MT, van Gool K. Adapting portfolio theory for investment in health, with a multiplicative extension for treatment synergies. *HEPAC: the European Journal of Health Economics,* (in press).

Doran C, Mattick RP, Shanahan M, Ali R, White J, Bell J. Buprenorphine versus methadone maintenance: a cost analysis of preliminary findings. *Research and Clinical Forums* 2001; 23: 43-48.

Haas M, Chapman S, Viney R, Hall J, Ferguson A. The news on health care costs: a study of reporting in the Australian print media for 1996. *Journal of Health Services Research & Policy,* 2001; 6: 78-84.

Haas M, Hall J, Chinchen L. The moving of St Vincent's – a tale in two cities. *Medical Journal of Australia,* 2001; 174: 93-96.

Haas M, Viney R, Kristensen E, Pain C, Foulds K. Using programme budgeting and marginal analysis to assist population-based strategic planning for coronary heart disease. *Health Policy,* 2001; 55: 173-186.

Hall J. Health, health care and social welfare. *The Australian Economic Review,* 2001; 34: 320-331.

Hall J. Health services research in Australia. *Australian Health Review,* 2001; 24: 35-38.

Hall J, Caleo S, Stevenson J, Meares R. An economic analysis of psychotherapy for borderline personality disorder patients. *Journal of Mental Health Policy and Economics,* 2001; 4: 3-8.

Hall J, Kenny P, King M, Louviere J, Viney R, Yeoh A. Using stated preference discrete choice modelling to evaluate the introduction of varicella vaccination. *Health Economics,* (in press).

Hall J, Viney R, Haas M, Louviere J. Using stated preference discrete choice modelling to evaluate healthcare programs. *Journal of Business Research,* (in press).

Hall J, Wiseman VL, King MT, Ross DL, Kovoor P, Zecchin RP, Moir FM, Denniss AR. Economic evaluation of a randomised trial of early return to normal activities versus cardiac rehabilitation after acute myocardial infarction. *Heart and Lung Transplantation,* (in press).

King MT, Kenny P, Shiell A, Hall J, Boyages J. Quality of life three months and one year after treatment for early stage breast cancer: influence of treatment and patient characteristics. *Quality of Life Research,* 2000; 9: 789-800.

Savage, E. Health and welfare measurement. *The Australian Economic Review,* 2001; 34: 332-335.

Shanahan M, Haas M, Viney R, Cameron I. To HITH or not to HITH: making a decision about establishing hospital in the home. *Australian Health Review,* 2001; 24: 179-186.

Viney R. Funding arrangements for pharmaceuticals: can economic evaluation promote efficiency? *Australian Health Review,* 2001; 24: 21-24.

Viney R, Haas M, Shanahan M, Cameron I.
Assessing the value of Hospital in the Home: lessons from Australia. *Journal of Health Services Research & Policy,* 2001; 6: 133-138.

Book Chapters

Lancsar E, Viney R
"Health insurance" in *The Law Handbook,* Redfern Legal Centre Publishing (in press).

Non Peer Reviewed

Haas M.
Using NSW Health survey data for economic analyses. *NSW Public Health Bulletin,* 2001; 12: 227-228.

Hall J.
Quality of health care: an international problem. *Healthcover,* 2001; 11: 25-27.

King MT.
Adaptation to Changing Health: Response Shift in Quality of Life Research by Carolyn E Schwartz and Mirjam A.G. Sprangers, American Psychological Association, Washington, DC, 2000 [Book Review]. *Quality of Life Research* (in press).

King MT, Hall J, Harnett PR.
A randomised crossover trial of chemotherapy in the home: patient preferences and cost analysis [letter]. *Medical Journal of Australia,* 2001; 174: 6.

O'Sullivan B, Alperstein G and Mahmic A.
Development of a child and youth health report card for Central Sydney. *NSW Public Health Bulletin,* 2001; 12: 302-307.

CHERE discussion papers and project reports

Seymour J, Shiell A, Boyages J
The cost of treatment for early stage breast cancer at Westmead Hospital.
Discussion Paper 43.

Savage E, Wright D
Health insurance and health care utilisation: theory and evidence from Australia 1989-1990.
Discussion Paper 44.

Hall J
The public view of private health insurance.
Discussion Paper 45.

Shanahan M, van Gool K, Haas M, Kenny P
Economic evaluation of the NSW hospital in the home pilot project.
Project Report 15.

Viney R van Gool K, Haas M
Hospital in the home in NSW.
Project Report 16.

Anderson R, Haas M
Cost-effectiveness of shared care compared with usual hospital-based care for people with Hepatitis C.
Project Report 17.

CHERE Newsletters

De Abreu Lourenco R, Hall J
Understanding and evaluating genetic screening.
Health Economics Review, 17; March.

Savage E, Hall J
The changing face of private health insurance.
Health Economics Review, 18; June.

Conference papers, seminars and other presentations

Haas M
CHERE's work on policy support and commissioned projects.
Visit by Ministry of Health, Bangladesh, Sydney, February.

Lancsar E
Overview of the Australian Pharmaceutical Benefits Scheme.
Visit by Ministry of Health, Bangladesh, Sydney, February.

Hall J
The future of health services research in Australia.
Keynote speaker - National Demonstration Hospitals Program Phase 3 Conference, Sydney, March.

Boyer M, Viney R, Fulham M, King MT, McCaughan B, Kenny P, Pollicino C, MacLean J
A randomised trial of conventional staging (CS) with or without positron emission tomography (PET) in patients with stage 1 or 2 Non-Small Cell Lung Cancer.
American Society of Clinical Oncology Conference, San Francisco, May.

Hall J, Haas M
Research and public policy: If health economics is the answer, what is the question?
Where to with Health Economics at Royal Children's Hospital and Murdoch Children's Research Institute, Melbourne, May.

Savage E
Health, health care and social welfare.
Australian Economic Review Policy Forum and Conference, May.

Bridges J, Stewart M, King MT, van Gool K
Understanding the effects of a portfolio of medical interventions.
17th Annual meeting of the International Society of Technology Assessment in Health Care (ISTAHC), Philadelphia, USA, June.

Hall J
The public view of private health insurance.
Health Policy Institute Colloquium, University of Sydney, June.

Haas M, van Gool K, Savage E, Birch S
Breast screening utilisation in NSW: Estimating the impact of socio economic status and regional variation.
International Health Economics Association (iHEA) 3rd World Conference, York, July.

Hall J, King MT, Louviere J, De Abreu Lourenco R
Choice modelling: What do consumers value from carrier status screening? An application of choice modelling.
International Health Economics Association (iHEA) 3rd World Conference, York, July.

Hall J, Louviere J, Viney R
Qualitative and quantitative methodological issues involved in successful stated preference applications. Some CHERE methods and modelling.
International Health Economics Association (iHEA) 3rd World Conference, York, July.

Savage, E
Moral hazard and adverse selection in Australian private hospitals.
International Health Economics Association (iHEA) 3rd World Conference, York, July.

Shanahan M, Doran C
The National Evaluation of Pharmacotherapies for Opioid Dependence (NEPOD): A health economist's perspective.
International Health Economics Association (iHEA) 3rd World Conference, York, July.

Viney R
Testing the form of the utility function defined over health care treatment.
International Health Economics Association (iHEA) 3rd World Conference, York, July.

Viney R, Pollicino C, Haas M, King MT, Kenny P
Assessing the value of a PET scan for patients with non-small cell lung cancer (poster presentation).
International Health Economics Association (iHEA) 3rd World Conference, York, July.

Bridges J, Stewart M, King MT, van Gool K
Portfolio theory and the evaluation of public health interventions.
The Proceedings of the Joint Statistical Meetings, American Statistical Association, Atlanta, Georgia, August.

Haas M
The research highway: Developing research questions and liaising with other interested parties.
Allied Health Research Education Session, Central Sydney Area Health Service, Sydney, August.

Savage E
Private health insurance and hospital durations.
Labour Econometrics Workshop, University of NSW, August.

Anderson R, Eyeson-Annan M, Banks C, Hall J
Assessing the economic benefits of population health surveys: the example of the NSW Health Survey.
23rd Australian Health Economics Society Conference, Canberra, September.

Haas M
Discussant for paper "Priority setting in cancer control: are psychology services to cancer patients a contender?" by Mihalopoulos C, Carter R, Vos T.
23rd Australian Health Economics Society Conference, Canberra, September.

Haas M, van Gool K
Estimating the benefits of preventing cardiovascular disease: when is an ounce of prevention worth a pound of cure?
23rd Australian Health Economics Society Conference, Canberra, September.

Hall J
Do public health advocates have to be extra-welfarists?
23rd Australian Health Economics Society Conference, Canberra, September.

Hall J
Debate Moderator: Is the public hospital system cheaper and more effective than the private?
Australian College of Health Service Executives (ACHSE), Sydney, September.

Haywood P
A discussion of integrating cost-effectiveness into clinical practice guidelines in Australia for Chronic Obstructive Pulmonary Disease (COPD).
23rd Australian Health Economics Society Conference, Canberra, September.

Haywood P, Hall J, Gerard K, Scuffham P, Lowin A
The introduction of economics into evidence based guideline construction.
23rd Australian Health Economics Society Conference, Canberra, September.

Lancsar E
Deriving welfare measures from stated preference discrete choice modelling experiments.
23rd Australian Health Economics Society Conference, Canberra, September.

Pollicino C
Discussant for the paper "Determinants of Aboriginals and Torres Strait Islanders: The role of environmental factors as determinants of health of young Aboriginal and Torres Strait Islanders people with respiratory conditions" by Shelton Brown H, Doessel D.
23rd Australian Health Economics Society Conference, Canberra, September.

Savage E
Does private health insurance lengthen hospital stays? PSM estimates for Australian private hospitals.
23rd Australian Health Economics Society Conference, Canberra, September.

Savage E
Explicit and implicit ethical judgements: policy evaluation in second best settings
23rd Australian Health Economics Society Conference, Canberra, September.

Viney R
Using stated preference discrete choice modelling to test the form of the utility function for health care.
23rd Australian Health Economics Society Conference, Canberra, September.

Doran C, Shanahan M
Understanding economic evaluations: Methods and practical application in clinical research (workshop).
Australian Professional Society on Alcohol and Other Drugs (APSAD), Sydney, October.

Hall J
Keynote speaker: Setting priorities in drug and alcohol treatment services.
Australian Professional Society on Alcohol and Other Drugs (APSAD), Sydney, October.

Hall J
Distinguished Scientist Series Seminar.
School of Physiotherapy, Faculty of Health Sciences, University of Sydney, November.

Harris L, Viney R
Intra-faculty curriculum collaboration: costs and benefits.
Ed-Health 2001: Collaboration for Quality Learning, inaugural College of Health Sciences Conference, University of Sydney, November.

King MT
Cohen confirmed? Evidence-based effect sizes for the QLQ-C30.
8th Annual Conference of the International Society for Quality of Life Research, Amsterdam, Netherlands, November.

Anderson R, Thomas DW, Phillips CJ
The effectiveness and cost-effectiveness of out-of-hours dental services.
2nd New Zealand Australia Health Services & Policy Research Conference, Wellington, December.

Haas M
Patients' preferences for outcomes other than health outcomes.
2nd New Zealand Australia Health Services & Policy Research Conference, Wellington, December.

Hall J, Haywood P
The introduction of economics into evidence based guideline construction.
2nd New Zealand Australia Health Services & Policy Research Conference, Wellington, December.

Haywood P, Hall J
The introduction of integrated care arrangements.
2nd New Zealand Australia Health Services & Policy Research Conference, Wellington, December.

Kenny P, Hall J, Viney R, Haas M, King M
Validity of choice modelling for measuring consumer preferences in health. *(Poster presentation).*
2nd New Zealand Australia Health Services & Policy Research Conference, Wellington, December.

Lancsar E
Investigating patient preferences for asthma medication - An SPDCM Approach.
2nd New Zealand Australia Health Services & Policy Research Conference, Wellington, December.

Lancsar E, van Gool K, Viney R, Hall J
Funds pooling in Australia: diving into the deep end
2nd New Zealand Australia Health Services & Policy Research Conference, Wellington, December.

Pollicino C, Hall J
Managing elective surgical waiting lists: A new approach.
2nd New Zealand Australia Health Services & Policy Research Conference, Wellington, December.

Pollicino C, Haas M, Viney R
Preferences and perceptions of patients with non-small cell lung cancer.
(Poster presentation).
2nd New Zealand Australia Health Services & Policy Research Conference, Wellington, December.

Savage E, van Gool K, Haas M, Birch S
Breast screening utilisation in NSW: Estimating the impact of socio economic status, regional variation and ethnicity.
2nd New Zealand Australia Health Services & Policy Research Conference, Wellington, December.

Van Gool K, Lancsar E, Viney R, Hall J
The Australian health care system: Where does it hurt? 2nd New Zealand Australia Health Services & Policy Research Conference, Wellington, December.

Viney R, Hall J, Louviere J
Applying stated preference discrete choice modelling to health program evaluation.
2nd New Zealand Australia Health Services & Policy Research Conference, Wellington, December.

Liz Chinchen at the 2nd New Zealand Australia Health Services and Policy Research Conference

Rosalie Viney at the 2nd New Zealand Australia Health Services and Policy Research Conference

CHERE's occasional seminars in Health Economics

Luke Connelly, Senior Lecturer, Brisbane Graduate School of Business, Queensland University of Technology
An economic conception of health promotion. February.

Marion Haas, Kees van Gool, Rosalie Viney, Marian Shanahan
CHERE
Hospital in the home: A policy perspective. April.

Jane Hall, Phil Haywood
CHERE
Guidelines for guidelines. May.

Anthony Scott, Senior Research Fellow, Health Economics Research Unit
University of Aberdeen
Eliciting GPs' preferences for pecuniary and non-pecuniary job characteristics. May.

Elizabeth Savage, Visiting Research Fellow
CHERE
Private health insurance propensity scores. August.

Rob Anderson, Senior Research Officer
CHERE
Evaluating the cost effectiveness of shared care: principles and practicalities. September.

Chris Doran, Health Economist
National Drug & Alcohol Research Centre (NDARC)
Marian Shanahan, Senior Research Officer
CHERE
Economic evaluation of pharmacotherapies for opioid dependence. October.

Steven Kennedy, Director Analytical Services
Australian Bureau of Statistics
The reliability of self assessed health status. November.

Jim Pearse, Director Funding and Systems Policy
NSW Health and Harkness Fellow in Health Policy 2000-2001
Risk adjusting capitation payments: Can Australia learn from the US? November.

Christina Lee, Director, Research Centre for Gender & Health; Manager, Women's Health Australia, University of Newcastle
Women's Health Australia: work in progress. December.

Education

CHERE has a strong commitment to educational programs. We have always seen education as the crucial component of capacity building to meet the acknowledged shortages of health economists. However, the extent to which the Centre can be involved in teaching depends largely on what funding is available. The Wills Review of Australia's health and medical research has recommended the funding of capacity building programs in health economics and health services research. These funds will be administered through the NHMRC, though as yet no details of the new program are available.

During 2001, the Centre continued its focus on the professional development of staff supporting individuals in various ways, through both formal post-graduate study and through more specific skills development. In addition, the CHERE introductory workshop in health economics was conducted. These workshops are aimed at users of health economics analysis, to provide some level of familiarity with economics principles and tools. The workshops remain very popular.

Over the last ten years, CHERE has been involved in a wide range of educational programs. Staff have taught in the Faculty of Economics, both at under-graduate and post-graduate levels. They have taught post-graduate students in the Faculty of Medicine, primarily in public health but also in clinical epidemiology, in dentistry, and in genetics. They have been involved in the development of the new medical curriculum, and professional doctorate in public health.

The two major educational programs which the Centre has developed have been the Public Health Program in Health Economics and the NSW Health Economics Training Program.

CHERE has been the national specialty centre in health economics, funded under the Public Health Education and Research Program by the Commonwealth Department of Health and Aged Care. This involved the development of a new approach to introducing public health students to the principles of economics through the consideration of practical public health problems. CHERE developed a number of elective subjects in health economics, allowing those interested students to pursue a more specialised course of study. This teaching program was reduced when the funding from PHERP was completed.

CHERE developed and supervised the NSW Health Economics Training Program, funded through NSW Health. This program was aimed at recruiting economics graduates into health economics. The training program comprised one year of full time study for a masters degree in economics, with a subsequent two years of practical training. In this two years, the trainees spend time in the NSW Health central office, at least one area health service, and in CHERE. There are now seven graduates of this training program, six of whom are working in the NSW health system. The seventh is completing doctoral studies in health economics in the US.

Teaching and training

Workshop Series in Health Economics

Understanding Health Economics & Economic Evaluation presented by Jane Hall, Marian Shanahan, Marion Haas, Rob Anderson, Emily Lancsar, Kees van Gool, Richard De Abreu Lourenco.

Other

Post graduate training

During 2001, the following staff members were enrolled in higher degrees:

Madeleine King
PhD, Medical Statistics, University of Newcastle

Marion Haas
PhD, Public Health and Community Medicine, University of Sydney

Rosalie Viney
PhD, Economics, University of Sydney

Emily Lancsar
Master of Economics, University of Sydney

Rob Anderson
PhD, University of Wales College of Medicine, Cardiff (UK)

Ajsa Mahmic
Master of Public Health, University of Sydney

Students under supervision

The following students were supervised by CHERE staff during 2001

Department of Public Health and Community Medicine, University of Sydney
PhD
Marion Haas

Department of Economics, University of Sydney
PhD
Rosalie Viney

Master of Economics
Emily Lancsar

Marion Haas, Deputy Director

Staff

CHERE staff

Academic staff

Marion Haas is a Deputy Director and Principal Research Officer at CHERE and a lecturer in the Department of Public Health and Community Medicine, University of Sydney. Formerly a physiotherapist, she has a Master of Public Health (University of Sydney) and a Graduate Diploma of Applied Epidemiology (NSW Public Health Officer's Training Program). Her research interests include the application of economics to planning and evaluating health care, the use of qualitative research methods in health economics and health services research and the evaluation of health care from patients' perspectives. In 2001 Marion completed her PhD in which she examined the benefits of health care beyond health gain which are important to and preferred by patients.

Jane Hall is the founding Director of CHERE, having developed the original application for the establishment of the Centre and has served as Director since its inception. She is also Associate Professor in the Department of Public Health and Community Medicine. Since 1998, she has been a Medical Foundation Fellow. She studied undergraduate economics at Macquarie University and holds a PhD from the University of Sydney. Her current research interests include the evaluation of informal (unpaid) care; and the implications of genetic screening. She holds a number of positions in policy making forums, most recently as a member of the NSW Health Council. Jane is the president of the newly formed Health Services Research Association of Australia & New Zealand.

Rosalie Viney is a Deputy Director and Principal Research Officer at CHERE, and a lecturer at The University of Sydney in the Department of Public Health and Community Medicine. She has a Master of Economics from the University of Tasmania. Her research interests include valuation of health outcomes, health financing and delivery arrangements, resource allocation and priority setting, the

interface between research and policy and decision making under uncertainty in health. Rosalie is currently undertaking a PhD in the Department of Economics at The University of Sydney, examining the role of risk and uncertainty in valuing health outcomes.

Research staff

Rob Anderson is a Senior Research Officer at CHERE. Before joining CHERE in March 2001, he was MRC Research Fellow in Health Services Research at the University of Wales College of Medicine, in Cardiff (UK). There he designed and conducted an economic evaluation of emergency dental services, produced the first authoritative guide to the oral health systems of Europe, and worked on various other national surveys and reviews to inform oral health policies and the implementation of health programs. Rob has a Master of Economics in Applied Social Research from the University of Manchester, and a Master of Science in Health Policy, Planning and Financing from the London School of Economics. He is also currently completing his PhD thesis, the core of which is an economic evaluation of alternative service arrangements for emergency dental care in the UK. His research interests are in primary care policy, the impact of genetic technologies on health service provision, economic evaluation of complex interventions and services, decision modelling, and issues surrounding access to health care.

Phil Haywood is a health services researcher who graduated from the Health Economics Training Program. He has degrees in medicine and economics from the University of Otago, New Zealand. He currently works part time at CHERE on a number of projects. His background is in GP and hospital collaborative programs and his interests are in medical decision making.

Lorraine Ivancic is a Health Economist at CHERE. She holds a Bachelor of Economics (Hons) from the University of NSW. As part of this degree Lorraine completed a thesis in which she tested the validity of two competing theories which seek to explain health care utilisation drivers, with particular reference to Australia's 'older' population. Prior to joining CHERE Lorraine was a Research Economist at the Centre for International Economics, a private economic consultancy, where she worked on a diverse range of projects spanning across the private and public sector.

Patsy Kenny is a Senior Research Officer. She has a Bachelor of Arts and Master of Public Health from the University of Sydney and has a clinical background in nursing. She has contributed to projects covering a range of topic areas including: quality of life in early stage breast cancer, patient participation in treatment decision making, evaluation of midwifery care, parents' choices in childhood immunisation, evaluation of PET and the incorporation of the work of unpaid carers into the evaluation of health services. Her research

interests include measurement of quality of life and consumer views in health care evaluation, in addition to approaches to combining qualitative and quantitative research methods.

Madeleine King is the Centre's Biostatistician. Since joining CHERE in 1991, she has worked on many of the Centre's projects. She has first class honours in Science from the University of Sydney and a graduate diploma in Medical Statistics from the University of Newcastle. She was awarded a PHRDC training scholarship for her PhD in biostatistics at the University of Newcastle, which she completed in 2001. Her current research interests include the measurement, analysis and interpretation of health-related quality of life (HR-QoL), meta-analysis of HR-QoL outcomes, the analysis of longitudinal outcomes data, and the application of econometric methods to consumer choice in public health programs.

Emily Lancsar is a Senior Research Officer at CHERE. She has a Bachelor of Economics and a Bachelor of Arts from the Australian National University, a Postgraduate Diploma in Health Economics and Evaluation from Monash University and is currently completing a Master of Economics at the University of Sydney. Prior to joining CHERE she was an officer at the Commonwealth Department of Health and Aged Care and also spent time in the Northern Territory on secondment to Territory Health Services. Emily's research interests include investigating the methodological issues involved in deriving measures of welfare or value from Stated Preference Discrete Choice Modelling experiments and investigating the equity of access to GP services in Australia. Emily is currently Project Manager of CHERE's contribution to the Cooperative Research Centre for Asthma which involves two major projects: an economic evaluation alongside a RCT of 3 asthma medications and a longitudinal cohort study investigating the economic burden of asthma. Emily has also contributed to a number of consultancy projects at CHERE including the evaluation of the NSW Adult Drug Court and is a member of a Medicare Services Advisory Committee (MSAC) supporting committee and is Vice President of the Australian Health Economics Society.

Professor Jordan Louviere joined CHERE in 1999 part-time and is Research Associate. Jordan was Foundation Professor and Discipline Head of Marketing in the School of Business in the Faculty of Economics and Business at the University of Sydney until June 2000. Jordan's PhD is from the University of Iowa in human geography and transportation planning; and he changed careers in 1978 to join the marketing department at the University of Iowa. Jordan's research interests are in human judgment, decision-making and choice behaviour, and in a variety of related sub areas, such as design of choice experiments, methods of preference elicitation, pooling sources of preference and choice data and the external validity of laboratory experiments. At CHERE Jordan is applying his expertise to a variety of

projects, including modelling decisions to undergo genetic screening for various diseases, like Tay-Sachs, early childhood immunisation decisions, breast screening decisions, and similar issues.

Ajsa Mahmic joined CHERE in September 2001 as a part-time Research Assistant. She has a Bachelor of Science from the University of NSW and a Graduate Diploma in Teaching from Charles Sturt University. She is currently completing a Master of Public Health at the University of Sydney. Her research experience is in asthma, and prior to joining CHERE, Ajsa worked at the Institute of Respiratory Medicine for a number of years. Currently at CHERE, she is working on the CRC for Asthma study, project 9, which is a longitudinal cohort study investigating costs and utilisation.

Christine Pollicino is a Research Officer at CHERE. She holds a Master of Medical Statistics, and Bachelor of Economics with a Major in Econometrics, from The University of Newcastle. Christine joined CHERE from the General Practice Professorial Unit in 1999. At CHERE, she has been involved in both quantitative and qualitative research. Two projects Christine has contributed to are the evaluation of PET and the Auburn hospital elective surgical initiative. Her research interests include the conduct of economic evaluations alongside clinical trials and data collection instruments. She is also the coordinator of the Centre's Newsletter series.

Marian Shanahan is a Senior Research Officer at CHERE. Formally a Registered Nurse, she has a Master of Arts (Economics) from McMaster University, Canada. Prior to joining CHERE she was a health services researcher at the Manitoba Centre for Health Policy and Evaluation. Her interests include the use of health economics in the evaluation of various models of health care provision, working with administrative data, and the relationship between health and health care utilisation. Areas of research at CHERE include discrete choice modelling, hospital in the home, economic evaluations of the National Cervical Screening Program, the Adult Drug Court, various treatments for illicit drug use and Tai Chi as a method of falls prevention in the elderly.

Kees van Gool is a Senior Research Officer at CHERE. He has a Bachelor of Economics and Arts (ANU) and a Master of Economics (USYD). Prior to joining CHERE, Kees completed the NSW Health Economics Trainee Program, was a senior policy analyst with NSW Health and a Graduate Administrative Assistant with the Commonwealth Department of Health and Ageing. In 2001, Kees worked on a variety of projects including work conducted for the Victorian Department of Treasury and Finance and MBF. He has also joined the project team examining the cost effectiveness of genetic screening. He has contributed to conference papers which were presented at York, Wellington and Canberra. His research interests include health financing, equity in health financing and delivery and workforce issues.

Support staff

Liz Chinchen has been the Centre's Information Officer since July 1997, she has a Bachelor of Applied Science (Information) from the University of Technology, Sydney. Liz is responsible for the management of the Centre's library, which consists of a large number of books, reports, discussion papers and journal articles. She works closely with the researchers on a variety of projects, providing a current awareness service, undertaking literature searches and locating and providing relevant information as required. Liz also maintains CHERE's web site and is responsible for the publication of the Annual Report. Throughout 2001 Liz worked closely with the Working Party of the Health Services Research Association of Australia & New Zealand and was responsible for the Association's incorporation and continues to be involved in many of the administrative tasks connected with the Association.

Serena El Cham is the Centre's Administration Officer and is usually the initial point of contact at CHERE. Serena contributes to the day to day running of the centre by providing administrative support to the researchers, support staff and the management team. Her key responsibilities include assisting the Finance Officer with a range of duties, the distribution and maintenance of CHERE's mailing list and the management of the Kronos pay system. Serena also helps the researchers on different projects by transcribing research interviews and in the input of research data.

Catherine Kinsella joined CHERE in September 2000 as the part-time Finance Officer. She has a Bachelor of Commerce degree and is a Certified Practising Accountant (CPA). Catherine is responsible for the ongoing management of the internal accounts and financial reporting systems. This involves liaising with the Finance Departments of the Central Sydney Area Health Service and the University of Sydney, as well as organising the Centre's income and expenditure processing and compliance with GST and other legislation.

Gretchen Togle joined CHERE in October 1999 as Executive Assistant to Jane Hall. her role at CHERE revolves around the Director's functions as well as providing administrative, organisational and secretarial support to other members of staff. She is the Program Assistant for the US-based Commonwealth Fund's Harkness Fellowship Program, which is officially represented in Australia by Jane Hall.

Visiting Fellows

Denzil Fiebig is a Professor of Economics in the School of Economics at the University of New South Wales and is a Visiting Professorial Fellow at CHERE. His research interests are in applied econometrics with emphasis on the areas of energy, telecommunications and more recently health. During his time at CHERE Denzil's research has focussed primarily on applying models of strategic behaviour to household decision making with respect to private health insurance. Work has begun to develop this research agenda on two fronts:

(1) investigation of the decision-making process involving doctors and patients, and (2) modelling the demand for medical care and how it relates to having private health insurance. Denzil has also provided econometric support for a number of CHERE projects and has been a member of appointment panels for new staff.

Elizabeth Savage, Visiting Research Fellow

Elizabeth Savage is a Senior Lecturer in Economics at the University of Sydney and Visiting Research Fellow at CHERE. She has a Masters degree in Economics from the London School of Economics. Her research falls into the broad area of public economics, with emphasis on behavioural modelling and policy simulation. She is currently evaluating recent incentives for private health insurance using quasi-experimental methods to analyse the impacts of incentives for private health insurance. Currently at CHERE, she is involved in joint research with colleagues on the evaluation of the NSW Breast Screen program, estimating willingness to pay for asthma medication and modelling the form of the utility function for health care. Elizabeth was recently appointed to the Editorial Board of the Australian Journal of Labour Economics.

Professional activities

Memberships

Australian Health Economics Society (AHES)
Jane Hall, Rosalie Viney, Marion Haas, Marian Shanahan, Emily Lancsar, Kees van Gool, Elizabeth Savage, Rob Anderson, Philip Haywood, Christine Pollicino

International Health Economics Society (iHEA)
Jane Hall, Rosalie Viney, Marion Haas, Marian Shanahan, Emily Lancsar, Kees van Gool, Elizabeth Savage, Rob Anderson, Philip Haywood, Christine Pollicino

Health Services Research Association of Australia & New Zealand (HSRAANZ)
Jane Hall, Rosalie Viney, Marion Haas, Patsy Kenny, Marian Shanahan, Kees van Gool, Christine Pollicino, Rob Anderson, Catherine Kinsella, Philip Haywood, Madeleine King, Elizabeth Savage

Public Health Association (PHA)
Patsy Kenny
CHERE – Corporate Membership

Australian College of Health Service Executives (ACHSE)
Emily Lancsar

International Society of Clinical Biostatistics
Madeleine King

Statistical Society of Australia (NSW Branch)
Madeleine King, Christine Pollicino

International Society for Quality of Life Research
Madeleine King

Cochrane Collaboration Health-Related Quality of Life Methods Group
Madeleine King

Cochrane Collaboration the Economics Methods Group
Madeleine King

Australian Library & Information Association (ALIA)
Liz Chinchen

Australian Trauma Society
Philip Haywood

British Association for the Study of Community Dentistry
Rob Anderson

Economic Society, NSW Branch
Elizabeth Savage

Reviews conducted by CHERE staff for:

Journals

- Australian & New Zealand Journal of Public Health
- Medical Journal of Australia
- Quality of Life Research
- Cancer
- International Journal of Telemedicine and Telecare

Grant Applications

NHMRC

Editorial roles by CHERE staff for:

- Australian & New Zealand Journal of Public Health
- Journal of Health Services Research & Policy
- Australian Journal of Labour Economics
- Health & Social Care in the Community

Courses attended by CHERE staff

Advanced Excel Course
Rob Anderson, Kees van Gool, Marian Shanahan, Emily Lancsar, Christine Pollicino, Patsy Kenny, Catherine Kinsella, Elizabeth Savage

The Analysis of Linked Health Data: Principles and Hands-on Applications
Kees van Gool

Assessing clinical significance for QOL measurement - half-day workshop conducted by Jeff Sloan and Tara Symonds for the International Society of Quality of Life Research (ISOQOL)
Madeleine King

Modern psychometric methods, adaptive testing, dynamic health assessment, and the internet - half-day workshop conducted by John Ware, Jakob Bjorner and Mark Kosinski for ISOQOL
Madeleine King

Investigating and dealing with bias in systematic reviews – quarter-day workshop conducted by Matthias Egger, Jonathon Sterne, David Moher and Chris Bartlett for the Cochrane Collaboration
Madeleine King

Why are meta-analyses of continuous outcomes more difficult than meta-analyses of binary outcomes – quarter-day workshop conducted by Keith O'Rourke for the Cochrane Collaboration
Madeleine King

Including quality of life and health benefits in economic evaluations incorporated into Cochrane reviews – quarter-day workshop conducted by Luke Vale, Cam Donaldson and Miranda Mugford for the Cochrane Collaboration
Madeleine King

Conferences attended by CHERE staff

UK Health Economics Study Group, Oxford, January
Rob Anderson

Trauma 2001, Sydney, March
Philip Haywood

Australian Economic Review Policy Forum and Conference, May
Elizabeth Savage

iHEA Conference, York, July
Jane Hall, Marion Haas, Rosalie Viney, Elizabeth Savage, Marian Shanahan, Kees van Gool

Labour Econometrics Workshop, University of NSW, August
Elizabeth Savage

4th International Conference on the Scientific Basis of Health Services, Sydney, September
Jane Hall, Philip Haywood

23rd Australian Health Economics Society (AHES) Conference, Canberra, September
Rob Anderson, Jane Hall, Rosalie Viney, Marion Haas, Christine Pollicino, Emily Lancsar, Kees van Gool, Elizabeth Savage, Denzil Fiebig

9th International Cochrane Colloqium, Lyon, France, October
Madeleine King

International Society for Quality of Life Research 8th Annual Conference, Amsterdam, Netherlands, November
Madeleine King

Cooperative Research Centre for Asthma Conference, Melbourne, November
Jane Hall, Patsy Kenny, Emily Lancsar, Ajsa Mahmic

2nd New Zealand Australia Health Services & Policy Research Conference, Wellington, December
Jane Hall, Marion Haas, Rosalie Viney, Rob Anderson, Catherine Kinsella, Liz Chinchen, Philip Haywood, Emily Lancsar, Kees van Gool, Patsy Kenny, Christine Pollicino, Elizabeth Savage

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