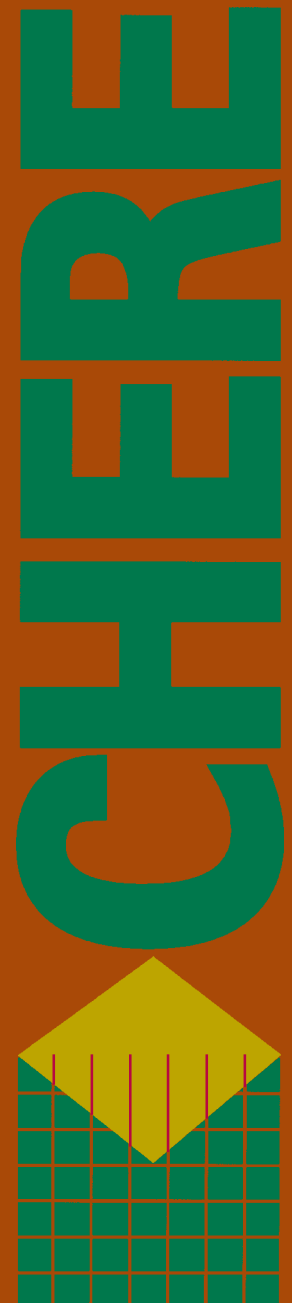


1998
Annual
Report



Centre
for
Health
Economics
Research
and
Evaluation

About the Centre

CHERE is a centre of excellence in health economics and health services research. CHERE is funded by NSW Health under a Research and Development Infrastructure Grant, with additional support from Central Sydney Area Health Service and funding from external research. It is an affiliated research unit of the Faculty of Medicine, The University of Sydney. The Centre aims to contribute to the development and application of health economics through research, teaching and policy support.

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 economic evaluation 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

Professor John Turtle AO

Professor of Medicine

The University of Sydney

Professor John Young AO

Pro-Vice-Chancellor

College of Health Sciences

The University of Sydney

Professor Stephen Leeder

Dean

Faculty of Medicine

The University of Sydney

Dr Diana Horvath AO

Chief Executive Officer

Central Sydney Area Health Service

Mr Peter Burrows

President

The University of Sydney Medical

Foundation

Assoc. Professor Jane Hall

Director

CHERE

Chairman's message

1998 was a year in which CHERE continued its high level of achievement. The report of the Public Health Education and Research Program Review was extremely positive, commending CHERE for its quality research and education programs as well as its linking these to policy and policy makers.

The Medical Foundation Program Grant commenced in 1998 and this source of funds has made an important contribution to the further development of CHERE's Research program. The grant is particularly valuable as it provides support for methodological research to extend and develop applied projects. Already it has led to the award of a three year NH&MRC Project Grant for the evaluation of genetic screening. A second NH&MRC Project Grant was awarded for three years for a randomised controlled trial of Positron Emission Tomography. This major project will have impact in both Australia and internationally.

1999 will see the Health Services Research Conference to be held in Sydney in August - a new activity for CHERE. This conference will bring together health service researchers, policy makers, managers and others from Australia and New Zealand with participants from around the world. This is an ambitious venture, supported by the Board as a new initiative for CHERE - linking research and policy as well as establishing the



position of Jane Hall and senior members of CHERE as national leaders in health policy research.

A handwritten signature in black ink that reads "John Turtle". The signature is written in a cursive, flowing style.

Professor John Turtle

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Director's report

As 1998 opened, CHERE was in the midst of a review. Since 1994, we have had funding from the (then) Commonwealth Department of Health and Family Services as the specialty centre in health economics under the Public Health Education and Research Program¹.

The Specialty Centre Program funded six centres across a range of public health fields, health promotion, nutrition, environmental health, mental health and Aboriginal health as well as health economics. Each centre was funded for three years to develop a teaching and research program; in 1997 funding was extended for a fourth year.

CHERE was commended for developing a coherent research strategy, for its contribution to the development of health policy, and an education program that linked theory and policy. The reviewers concluded that CHERE had made an impact in sustained intellectual development and in teaching and support of service delivery. Further, they felt that CHERE had demonstrated a capacity to provide high quality and timely policy relevant research.

Unfortunately, there is no further funding for this program as the recommendations from the PHERP specialty centre review have been delayed, pending the report from the PHERP review of general centres of public health. Any implementation will also be influenced by the outcome of the National Strategic Review of Health and Medical Research,



Jane Hall

chaired by Peter Wills. As a consequence, we will have to reduce our involvement in teaching in the Department of Public Health and Community Medicine in 1999. This is an illustration of the problems contingent on short term funding. Over the previous four years, we had made a substantial investment in the development of new courses and teaching skills. Progress on research was sacrificed to teaching commitments; however without ongoing financial support, that effort and human capital cannot be sustained. Research and teaching skills are not so readily available or so transferable that their supply can be switched on or off in response to short term funding vagaries.

¹ Miller M, Siggins I, Review of the specialty program of the public health education and research program. Siggins Miller Consultants prepared for Commonwealth Department of Health and Family Services. April 1998.

Fortunately, this problem has been recognised by the Wills Committee². First, the Report acknowledges the need for what it terms “priority-driven research that contributes directly to population health and evidence-based health care”. Strategic research in health services and health policy is under-developed in Australia. Yet it is clearly necessary to ensure further population health gains and a health system that is both efficient and equitable. Of the Report’s six chapters, one is devoted to health policy and health services research. What is important here is the Committee’s recognition of the problems of short term, on/off funding and the need for capacity building. The Report calls for the development of several large multi-disciplinary centres, primarily based on existing centres in health economics, health policy, health services research, clinical practice and public health. The role of these centres will be to provide leadership in strategic, development and evaluation research. This is not the first time the need for more health policy and health services research in Australia has been pointed out; the Kerr White and Bienenstock reviews both did so, whilst the Wills review presents the most visionary proposals.

²Health and Medical Research Strategic Review (Wills Committee) The virtuous cycle: working together for health and medical research. Discussion Document. Commonwealth of Australia. December 1998.

Policy support

During the year I was fortunate to attend the first International Symposium on Health Care Policy sponsored and organised by The Commonwealth Fund, a philanthropic foundation based in New York.

The Symposium was held in Washington and hosted by the Secretary of the Department of Health and Human Services, Donna Shalala. Participating countries were the USA, UK, Canada, New Zealand and Australia. Health Ministers from each participating country were invited plus a number of academics and policy officials. The format of the meeting was a paper presented on current issues and developments in each country, a response from that country’s Minister, followed by general discussion. Despite the differences across countries, in structure and in recent experience, there are several common problems emerging from the need to control costs, to provide equitable access to health care, to improve quality, - all within a cost the community is willing to pay - and to demonstrate accountability.

In Australia, the role of the private sector in financing health care remains the major health policy issue. The subsidy for private health insurance was effected with almost no policy debate. Our research into the media reporting of health policy issues showed how important ‘authoritative spokespersons’ are in promoting debate and presenting issues to the public.

It also demonstrated how existing commentators are drawn from vested interest groups. This underscores the need in Australia for the capacity for informed, objective and scholarly comment.

My involvement with the Commonwealth Fund's International Program in Health Policy includes my role as representative of the Harkness Fellowship scheme in Australia. Harkness Fellows, from Australia, New Zealand and the UK, work in health policy and health services research under the guidance of US mentors. One Australian Fellow was selected for the 1998-99 program, and two for the 1999-2000 program, a good start to building the Australian links in the Harkness network of researchers and policymakers.

As a result of this and other involvements in policy support, CHERE has taken on the task of convening a major conference, the Health Services Research Conference, to bring together researchers, policy analysts, health service managers and policy makers from across Australia and New Zealand. Thanks to the Conference supporters, The Commonwealth Fund and The Nuffield Trust, the conference will host a number of high profile speakers from the US, UK and Canada as well as Australia and New Zealand. The conference will also involve many CHERE staff contributing to the organisation and smooth running of the meeting. It deserves to be considered as a major project¹.

Research

The Medical Foundation Program Grant has enabled CHERE to pursue a program of theoretical and methodological research which will complement and enrich our applied and policy relevant research. The aims of this research are to explore how the net benefits of public health programs should be identified and measured in economic evaluation.

Conventionally, health benefits have been measured in a limited way, in terms of life years saved or quality adjusted life years gained. Even in the evaluation of treatment programs, this may be too narrow a focus as information, reassurance, being treated with dignity, autonomy, to name some, may also be important to patients. The benefits (and harms) of public health programs are much less clear cut for a number of reasons; the consumers are often well, and the health gains may be uncertain and quite distant. Whilst all of these effects have been well recognised, the tools are not sufficiently developed to incorporate them readily into economic evaluation.

Recently, health economists have been applying new methods of valuation developed in other fields of economics to address these issues. Discrete choice modelling, both its theory and its empirical methods, are well accepted in applications such as transport, marketing and

¹The conference will be held in Sydney from 8th to 11th August 1999: details can be found on our web site: www.hsr.conf.au

environmental issues. The challenge is to take these developments, modify them and apply them appropriately to health program evaluation. This is the basis of the Program Grant research. Several applied projects will be developed within this framework and using these methods. To date, applications being explored are breast cancer screening, immunisation, the palliative care provided by family and friends, as well as tamoxifen as a preventive agent for breast cancer.

CHERE was very successful in the 1998 NHMRC grant awards, obtaining two significant three year projects. One is the economic evaluation of screening for Tay Sachs disease and Cystic Fibrosis. This is a direct product of the Program Grant work and provides a project through which theoretical issues and empirical methods will be explored. It goes without saying that the topic is of major public health significance. The second grant is a randomised controlled trial of Positron Emission Tomography. This project will assess whether the use of PET provides new clinical information, whether it changes treatment, and whether it improves patient outcomes in non-small cell lung cancer. It will also explore the value of the information obtained from the patient's perspective, thus complementing the Program Grant work.

Education

CHERE continues to support the professional development of its own staff. Three staff members - Madeleine King, Marion Haas and Rosalie Viney - are now enrolled in PhDs, all on topics directly related to our strategic research directions. Patsy Kenny has completed and been awarded a Master of Public Health. All staff are encouraged to improve their skills and expertise, through courses and appropriate workshop attendances.

The NSW Health Economics Training Program is continuing with one new participant undertaking the academic year in 1998. There are now six trainees in various stages of the program.

The demands on teaching input from CHERE were high, with the one health economist in the Department of Public Health and Community Medicine on sabbatical leave for most of the year. We maintained the courses in the Master of Public Health and the Master of Clinical Epidemiology, as well as the health economics course in the Master of Economics program.

Staff

Dianne Kitcher joined CHERE early in 1998 as the new Centre Manager. She immediately set about reviewing and updating all our administrative and management systems, and ensuring that all aspects of our activities are professionally managed. Her impact has

been most welcome.

Paul Scuffham came to CHERE as a post-doctoral fellow, sponsored by the Health Research Council of New Zealand. His previous work has focussed on road injury and immunisation. He has continued to work in these areas as well as to contribute generally across a range of topics.

Sadly, we bade farewell to Sue Caleo who left after 3 years. Her perennial cheerfulness and enthusiasm for new projects is missed. Sue now has a post at the European Organisation for Research and Trials in Cancer, in Brussels, continuing in health economics.

Acknowledgements

I am very appreciative of the unfailing support and encouragement of Professor John Turtle as Chair of the Advisory Board. I am grateful to all the Board members for their counsel and continuing interest, Dr Diana Horvath, Professor John Young, Professor Stephen Leeder and Mr Peter Burrows.

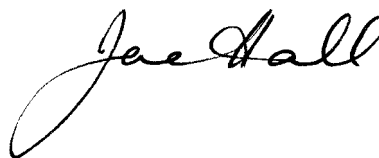
CHERE is also appreciative of the support given to us by all at Central Sydney Area Health Service. We are grateful to all the clinicians and policy makers who collaborate in our various projects and are acknowledged individually in the research project section of this report - our research would not be possible without your involvement.

CHERE continues to exist due to NSW Health funding through the Research and Development Infrastructure Grant; NSW Health also provides

other practical and moral support. Our thanks especially to Mr Michael Reid, the Director General, Dr Tim Smythe, Dr Andrew Wilson and so many others.

As Director, I am admirably supported by the senior staff and management group, Rosalie Viney, Marion Haas, Karen Gerard and Dianne Kitcher. I believe we make a great team.

My thanks to all the staff for their unstinting hard work and good humour over the past year. We finished the year with a strategic planning review of our activities and achievements for 1998, and an optimistic plan for what we would achieve in 1999. I am confident that working together we can do all that.



The CHERE Library

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

The Foundation was established by a resolution of the Senate of the University in December 1996. Its objects are to support teaching and research in health economics at the University and it has the powers to undertake a wide range of activities to this end. Included in these are assisting with funding appointments in CHERE, to provide scholarships and grants in aid to CHERE staff, and to support visiting scholars. Income is drawn from donations and contracting for consultancy services and commissioned projects.

Professor John Turtle is President of the Foundation and the Deputy President is Professor John Young. Members of the Foundation and Council are Mr Peter Burrows, Associate Professor Jane Hall, Dr Diana Horvath, Professor Stephen Leeder and Professor Don Nutbeam. The overlap of Council membership with that of the CHERE Advisory Board ensures co-ordination of activities.

The commissioned work completed by the Foundation included the following projects (please refer to Projects section of this report for more details on each):
Consultancy to progress hospital in the home; Telehealth options for funding and financing; The economic impact of psychotherapy;

Program budgeting and marginal analysis in South West Sydney; The cost effectiveness of varicella vaccine programs in Australia.

The Foundation has underwritten the first major conference on health policy and health services research in Australia / New Zealand. The timing of the Conference is particularly opportune, given the release of the report of the National Strategic Review of Health and Medical Research (Wills Review) and its emphasis on building capacity in this area. The most important broader message from this conference is the role for research in providing an information and evidence base for the discussion of health policy. That is extremely important in Australia at the present time given the policy tension between maintaining the universality of Medicare or developing a more private and fragmented health insurance market.

Policy support

One of the major roles of the Centre is the provision of high quality health economics policy advice to the health system. A health economics perspective is critical to issues of resource allocation and priority setting, equity of access, funding and financing arrangements and the incentives therein, and achievement of efficiency. While information that supports health system decision making comes from the results of research, the Centre believes that health economists and health services researchers must be active in disseminating these results to decision makers, and in providing expert advice on a range of policy issues.

CHERE has achieved these goals through a number of activities. Centre staff continue to work with clinicians and managers in the health system on practical health services research projects. The Centre is undertaking several projects which have been commissioned by State and Commonwealth governments. During 1998, staff of the Centre ran workshops on using health economics principles in planning and management of health services. The NSW Health Economics Training Program continues to be an important way in which the Centre contributes health economics perspectives to policy issues in NSW. A less tangible, but nonetheless extremely important activity is the provision of formal and informal advice to all levels of the health system and participation in working parties and committees.

The links between the policy support and research activities of the Centre are very important. The development of policy is informed by high quality research. In turn, research questions are generated by policy issues. Work undertaken with clinicians and managers can often lead to the development of new research projects.

However, the most important part of the policy support function of CHERE involves applying economics principles in the evaluation or planning of specific programs or services.

In 1998 these projects included:

- Undertaking a consultancy for the Commonwealth Department of Health and Aged Care to review and assess the provision of Hospital in the Home services in Australia
- Evaluating the costs and outcomes of Positron Emission Tomography in Central Sydney Area Health Service
- Providing expertise and support for Program Budgeting and Marginal Analysis projects for the NSW Health Department and for Central Western Area Health Service
- Undertaking a review of the NSW Breast and Cervical Screening Programs
- Evaluating a Falls Risk Assessment Clinic for Western Sydney Area Health Service.

Two major initiatives of the Centre have expanded its contribution to health care policy activities. The Centre is auspicing an Australian and New Zealand Health Services Research Conference to be held in Sydney in August 1999. The Director of the Centre is responsible for coordinating the Commonwealth Fund's International Program in Health Policy in Australia.

The Commonwealth Fund International Program in Health Policy

The Director of the Centre is a member of the Co-ordinating Committee for the International Program in Health Policy sponsored by the Commonwealth Fund (New York). This program aims to build an international network of policy oriented health care researchers and to encourage health policy exchanges across the US, Australia, New Zealand, the UK and Canada. The Centre provides the coordination of the Commonwealth Fund's Harkness Fellowship program in Australia. This program provides an opportunity for Fellows from Australia to spend four to twelve months in the United States, conducting a research study that is relevant to health care policy and practice in both the United States and Australia.

In her role as the Australian representative on the Coordinating Committee of the Program, Professor Hall attended the first International

Symposium on Health Policy held in Washington in October 1998.

The Symposium brought together a small group of Health Ministers, senior bureaucrats and policy advisers, as well as selected academics from a number of countries. Professor Hall presented the paper on current developments in Australian health care policy.

HEALTH SERVICES RESEARCH AU.NZ 1999

During 1998 the Centre began work towards organising an Australian and New Zealand Health Services Research Conference to be held in 1999. The idea for this conference grew out of recognition of the need for a forum in which ideas about health services research and policy issues and methods could be exchanged. The conference will focus on the interface between research and policy. CHERE has been instrumental in putting together a network of health services research centres throughout Australia and New Zealand who are contributing to the development of the Conference.

The Conference will be held in Sydney on August 8-11, 1999, and work towards its organisation has progressed well. For more information about the Conference, access the web site www.hsr.conf.au

In 1998, staff at CHERE contributed to the following boards, working parties and committees at Commonwealth, State and Area Health Service level.

Boards

Jane Hall

NSW Cancer Council

Australian Cancer Society

*Chair of Trustees, Public Health Association
Education and Research Trust*

Committees

NSW Health

Jane Hall

Health Economics Reform Committee

Marion Haas

*NSW Cervical Cancer Screening Program
Advisory Committee*

Other

Jane Hall

*Harkness Fellowships in International Health
Policy, Australian representative and member
of selection committee*

*Advisory Committee, PHERP Specialty Centre
Review*

*Australian Medical Workforce Advisory
Committee*

Audit Committee, NSW Cancer Council

Gavin Mooney

*Research Advisory Committee, ANCARD
Aboriginal Health Cooperative Research
Centre, Menzies, Darwin*

GP Divisions Advisory Group

GP Out of Hours Evaluation Group

Rosalie Viney

*NSW Health Intensive Care Strategic
Working Party*

*NSW Health Cervical Cancer Screening
Program State Advisory Committee*

*Cervical Cancer Screening Program
National Advisory Committee*

*New Technologies Working Group, National
Cervical Screening Program*

*NSW Health Telehealth Clinical Services
Advisory Committee*

NSW Telehealth Funding Reference Group

Paul Scuffham

*NHMRC working party on the Review of the
nCPAP treatment of sleep apnea*

Marion Haas

*PHERP consortium visiting committee
(representing NSW PHA)*

*South Western Sydney Area Health Service
Coronary Heart Disease Working Party*

Research

CHERE's research is focussed around developing knowledge about the relationship between health, health care, individual and social welfare. As health economists, we are interested in the contribution of public health and health care services to social welfare.

CHERE's research strategy is aimed at progressing this understanding through four areas of research activity: conceptual, methodological, applied and policy based research.

Conceptual research is principally concerned with broadening the boundaries of health economics research in a number of ways: at one end, developing more formal economic models of health and health care behaviour; and at the other end, using a multi-disciplinary understanding of health and health care behaviour to enrich economics methods.

Methodological research is concerned with testing established methods, particularly in quality of life measurement and valuation research, and with developing new methods of analysis. In particular, this has involved the application of discrete choice modelling methods.

Applied research uses established methods of economics and health services research analysis to further knowledge about the effectiveness and efficiency of health care. This includes economic evaluation of interventions.

Similarly, policy based research uses established methods to address specific policy relevant questions, such as assessment of funding arrangements for particular services.

Although these distinctions are important in terms of the aims of our research, in practice, there is considerable overlap within particular projects. An evaluation of a specific health care intervention, such as the evaluation of Positron Emission Tomography, provides the opportunity to undertake conceptual and methodological research. Similarly, research which is principally aimed at improving the methodology of quality of life measurement can provide valuable information to clinicians about health status in particular patient groups.

While all four strands of research continue to be important, CHERE's capacity to undertake more conceptual and methodological research has been significantly strengthened in 1998 by the awarding of a major Medical Foundation Program Grant.

Medical Foundation Program Grant

This year was the first year of CHERE's five year Medical Foundation Program Grant.

These grants are highly competitive and provide substantial funding for a coherent program of research. Each program is built around an eminent scientist. Jane Hall is the Medical Foundation Fellow; Rosalie Viney, Marion Haas

and Karen Gerard are nominated co-investigators. The aims of this research are to explore how the net benefits of health programs should be identified and valued for the purpose of economic evaluation. Increasingly, the funders of health services are turning to economic evaluation to assess new and existing health programs. For example, new items for the Medical Benefits Schedule which determines what fees are payable under Medicare, must now be subject to economic evaluation.

The most frequently used approach in health program evaluation is cost effectiveness analysis; typically measuring the benefits in terms of the number of life years saved.

Cost-utility analysis allows for a more sophisticated approach to the conceptualisation and measurement of benefits by weighting life years saved according to their quality and thus measuring the important effects of both increased survival and quality of life. Yet there may be other important effects which cost utility analysis does not capture.

Cost utility analysis defines the benefits of health programs as health outcomes. There are potentially other important benefits such as the value of reassurance, the feeling of being cared for, the capacity to make a choice about treatment. In public health, in particular, health outcomes may be too narrow a specification of benefits. Screening programs, for example,

benefit from being reassured that their risk of developing disease is low. At the same time, there are potential harms or dis-benefits, such as the discomfort of being tested, the worrying waiting for results, any further investigations, and the anxiety of a positive result. Public health programs also have social effects, as they change social attitudes towards certain behaviours. This may be positive, at least in respect of public health goals, by making drink-driving or smoking unacceptable behaviour. However, social effects may be negative as well; for example, information from screening may be used to discriminate against people in insurance and employment.

Developments in empirical methods have made possible new ways of measuring benefits. These methods are well established in marketing, transport and environmental economics but have not been widely applied in health program evaluation. The approach has its theoretical grounding in Lancaster's consumer theory which conceptualises consumer choice in terms of the attributes or features of the good. Stated preferences can be elicited through choice experiments. The "experiment" offers respondents hypothetical choices of two or more alternatives. Information about the relative importance of each attribute in influencing choice can be determined from an analysis of the results of a properly designed experiment.

The goals of the research program are to develop an appropriate conceptual framework for the identification of benefits, to develop the appropriate empirical methods for the valuation of these benefits and to apply the approach to the evaluation of specific health programs. Within any specific evaluative project, it aims to answer the following questions: what influences individual decisions to participate in public health programs; how do individuals weigh up the benefits and dis-benefits to themselves; and how to they value the benefits and dis-benefits from the perspective of society.

Work has progressed across these three goals. The conceptual framework has been outlined and is being developed through application to specific issues. In terms of the empirical methods, there has been a significant investment in skills development and a number of staff have attended short courses and workshops on choice modelling. The University of Sydney houses two eminent researchers in these empirical methods, Professor Jordan Louviere in the Department of Marketing, and Professor David Hensher in the Institute of Transport Studies; both have joined CHERE as collaborators in a number of projects.

Jane Hall and others were awarded a 3 year NHMRC grant for the evaluation of genetic screening for Tay Sachs disease and Cystic

Fibrosis. This program is screening individuals for carrier status, thus the 'product' of the program is information which people can use in making reproductive decisions. The challenge here is to identify how people value and use that information. As a component of this work, Marion Haas is leading an investigation of decision making about genetic testing using qualitative methods.

Karen Gerard has been awarded a University of Sydney Research Grant to investigate and develop health policy applications of conjoint analysis. She is working in the area of breast cancer screening, exploring what influences women's decisions to attend for screening and their preferences for different ways of organising services.

Jane Hall and Rosalie Viney have been working on the issue of tamoxifen in the prevention of breast cancer. This is an interesting example where a cost effectiveness/decision analytic approach does not capture the decision making context for individual women. Rather a woman is faced with the choice of trade off across different types of risk. This work has been presented at a meeting on the public health aspects of tamoxifen.

Immunisation is another area being explored as a potential application of these methods. Parents face choices about whether to immunise their children. Immunisation carries risks, yet once a certain level of population coverage is achieved, the benefit of immunisation is more social or collective than for the individual.

Projects

Medical Foundation Program Grant

Economic evaluation of screening for Tay Sachs disease and Cystic Fibrosis using choice modelling

This project consists of a cost effectiveness analysis and a cost benefit analysis of a population screening program. Tay Sachs disease and Cystic Fibrosis are autosomal recessive disorders. Genetic testing can determine an individual's carrier status, and the information can be used by that person in making reproductive decisions. Genetic testing programs have largely been evaluated in terms of the cost per case avoided. However, this ignores the value of the information provided, particularly to those whose test is negative. Cost benefit analysis can include a wider range of benefits. In this project, values will be elicited using discrete choice modelling methods.

Funding source NHMRC
 Medical Foundation
 Program Grant

CHERE staff Jane Hall
 Madeleine King
 Rosalie Viney

Collaborators Jordan Louviere¹
 Leslie Burnett²

Developing an economic instrument to measure women's preferences for breast cancer screening

The objective of this research is to systematically describe and measure the utility functions of women eligible for breast cancer screening. We anticipate a number of utility functions will be needed to describe the preferences of attenders, re-attenders and non-attenders. Findings will lead to the development and testing of an economic instrument to measure stated preferences (conjoint analysis questionnaire) that allows comprehensive assessment of the benefits and harms of breast cancer screening to be estimated. The instrument will be useful at a number of levels including evaluating the existing national breast cancer screening program and assessing future policy options.

Funding source Medical Foundation
 Program grant

CHERE staff Karen Gerard
 Marian Shanahan

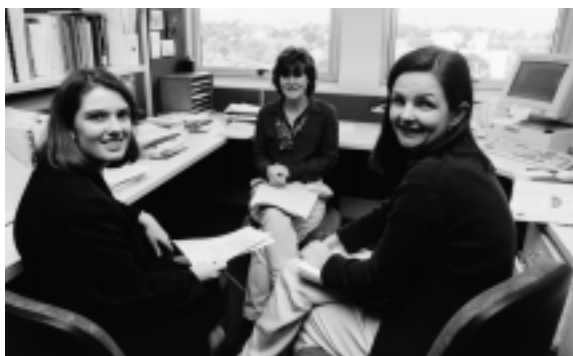
1. Dept of Marketing, The University of Sydney
2. Pacific Laboratory Medicine Services,
Northern Sydney Area Health Service

Conjoint analysis: developing its role in evaluating Australian health policy

The objective of this project is to further local understanding and knowledge in Australia and to gain experience in the use of conjoint analysis for health care evaluation. The first aim is to conduct a pilot study of women attending local breast screening and assessment services to demonstrate the policy relevance of using conjoint analysis to evaluate process and information attributes of breast cancer screening. A second aim is to conduct focus group research into the appropriateness of these attributes and their relevant levels.

Funding source University of Sydney
Research Grant Scheme

CHERE Staff Karen Gerard
Marian Shanahan



Karen Gerard, Janelle Seymour and Irenie Smoker discuss the Cost Utility Analysis project

Peer reviewed grants

Antenatal day care for high risk pregnancy: an economic evaluation alongside a RCT

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 costs of the ongoing randomised controlled trial underway at the Royal Women's and Children's Hospital, Adelaide. This year the study finalised the data collection forms and started randomising women. Data for estimating both health system and private costs are currently being collected.

Funding source NHMRC

CHERE Staff Karen Gerard
Marian Shanahan

Collaborators Deborah Turnbull¹
Chris Wilkinson²
Gill Kruzins²
Georgie Stamp³

1. Department of General Practice, University of Adelaide
2. Department of Obstetrics and Gynaecology, Royal Women's and Children's Hospital, Adelaide
3. Department of Nursing, Flinders University

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. 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 will be randomised either to undergo a PET scan or not prior to the final decision about surgery being made. All patients in the study will be followed up for 2-3 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.

Funding source NHMRC

CHERE staff Rosalie Viney
Madeleine King
Patsy Kenny
Marion Haas
Jane Hall
Ana Lowin

Collaborators Michael Fulham¹
Michael Boyer¹
Brian McCaughan¹

1. Royal Prince Alfred Hospital

Long Term Intervention with Pravastatin in Ischaemic Heart Disease (LIPID)

LIPID is a randomised controlled trial of 8000 patients. Its aim is to determine whether HMG-CoA reductase inhibitors reduce coronary heart disease mortality in post MI or unstable angina pectoris patients. An economic evaluation has been incorporated into the trial as a sub-study. Analysis is complete. Reports and papers are being developed.

Funding source National Heart Foundation

CHERE staff Jane Hall
Sue Caleo

Collaborators Virginia Wiseman¹
Paul Glaziou²
Sarah Mulray²
John Simes²

1. DPHCM, University of Sydney
2. Clinical Trials Centre, University of Sydney

Early return to normal activity (ERNA)

This study was designed to determine whether heart attack patients at low risk of dying or having another heart attack can return to normal activities soon after being discharged from hospital. So far 132 patients have been randomised to early return to normal activities or to a six week cardiac rehabilitation program. Recruitment continued until the end of 1997. Preliminary analysis has shown no differences between the groups in terms of adverse events, quality of life or activities other than return to paid work. Those encouraged to return to normal activities returned to paid work earlier.

Funding source NHMRC

CHERE staff Jane Hall
Madeleine King

Collaborators David Ross¹
Virginia Wiseman²
Rob Denniss¹
Pramesh Kovoor¹
Elizabeth Wallace¹
Fiona Moir¹

1. Cardiology Unit, Westmead Hospital
2. DPHCM, University of Sydney

Discourse Analysis of Health Resource Allocation in the Print Media

Resource allocation issues in health are always in the news. However, to date, the public health perspective on resource allocation issues has been under-represented in the public debate in the media. Resource allocation is fundamental to improving population health. The aim of this project is to use the techniques of content and discourse analysis to describe how resource allocation issues in health are picked up by the media and how the media shapes the stories. All articles concerning resource allocation issues in health were collected from six leading newspapers and magazines across Australia during 1996. In total, over 1100 articles were found. As well, CD-ROM technology was used to search 3 of these publications for the previous 4 years. This allows recurring themes and issues to be traced over a number of years. Reports and journal papers are being prepared.

Funding source PHRDC

CHERE staff Marion Haas
Jane Hall
Rosalie Viney

Collaborators Simon Chapman¹
Andrew Ferguson²

1. DPHCM, University of Sydney
2. University of Technology

Costs and Quality of Life in Early Stage Breast Cancer

This is a descriptive study of costs and quality of life following treatment for early stage breast cancer. The overall aim of the project is to assist clinicians and women in the choice of the best treatment for early stage breast cancer. The analysis and the writing up of the project are underway. Several papers have been submitted to peer reviewed journals.

Funding source CHERE
 PHRDC

CHERE staff Patsy Kenny
 Janelle Seymour
 Madeleine King
 Jane Hall

Collaborators John Boyages¹
 Allan Langlands¹
 Alan Shiell ²

1. Department of Radiation Oncology, Westmead Hospital
2. DPHCM, University of Sydney

Assessing Quality of Life in Cancer

This project is about the measurement and statistical analysis of quality of life (QOL). It compares two instruments used in assessing QOL, Functional Living Index-Cancer (FLIC) and the Quality of Life Questionnaire Core module(QLQ-C30) in their ability to distinguish statistically and clinically between groups of patients who differ in health status. The data collection is complete and analysis is underway.

Funding source CHERE
 PHRDC Scholarship,
 NHMRC

CHERE staff Madeleine King

Collaborators Annette Dobson¹

1. Centre for Clinical Epidemiology and Biostatistics, University of Newcastle



Richard De Abreu Lourenco and Rosalie Viney discuss health insurance issues

Participation in treatment decision making by women with early stage breast cancer

This project is a qualitative assessment of clients' perceptions of the treatment selection process. The client group is a sub-sample of 40 women who have been treated for early stage breast cancer and who participated in a larger quantitative study. They were interviewed in order to understand more fully their experiences of the decision process, their preferences for participation in treatment decisions and their information needs. A paper has been submitted to a peer reviewed journal.

Funding source NSW Cancer Council

CHERE staff Patsy Kenny

Collaborators Sue Quine¹
 Alan Shiell¹
 Sue Cameron¹

1.DPHCM, University of Sydney

Other research in progress

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 patients' 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 patients' descriptions (positive and negative) of actual health care experiences, an attempt will be made to clarify the importance and 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 (i.e. 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

**Evaluation of the Non-Health Related
Costs and Benefits of Health Care
Interventions**

The aim of this project is to investigate how the health and non-health related aspects of screening decisions impact on utility.

The first stage will involve the development and empirical specification of a model of the decision to participate in screening tests.

The model will be based on a Lancasterian approach to consumer theory, where the utility function is modelled as a function of the underlying characteristics of goods.

Funding source CHERE

CHERE staff Rosalie Viney

Cost-utility analysis study – mark II

This study was undertaken to determine whether the quality of published CUA studies had improved and to gain a better understanding for the role of economic evaluation guidelines in the peer- review process. It involved the review of 51 current published studies and an independent assessment of the British Medical Journal's guidelines for economic submissions. Final analysis is complete and papers have been submitted for dissemination.

Funding source NSW Health Economics
Training Program, NSW
Department of Health

CHERE Staff Karen Gerard
Janelle Seymour

Collabrator Irenie Smoker¹

1. Health Economics Trainee,
NSW Department of Health



*Team for the South Western Sydney Nutrition project,
Marion Haas, John Bridges, Kees van Gool, and Rosalie
Viney*

The Cost-Effectiveness of Varicella Vaccine Programs in Australia

This project examined the relative cost-effectiveness of different strategies to vaccinate Australian children against varicella (chickenpox). The strategies considered were the vaccination of infants, of 12 year olds, and of infants with a complimentary catch-up strategy. Costs and consequences of chickenpox under each strategy were modelled for a 30-year period. The findings are available in CHERE Discussion Paper No 36.

Funding source CHERE

CHERE staff Paul Scuffham

Collaborators Margaret Burgess¹
 Kerry Chant²

1. Australian National Centre for Immunisation Research at the New Children's Hospital, Sydney

2. South Western Sydney Public Health Unit

The South Western Sydney Nutrition Project

This project initiated by South Western Sydney Coronary Heart Disease Working Party evaluated the cost-effectiveness of nutritional interventions in the prevention of coronary heart disease deaths. Results were obtained by translating evidence from the international literature into the demographic profile of the South West Sydney area.

Funding Source NSW Health Economics Training Program, NSW Department of Health

CHERE Staff Marion Haas
 Rosalie Viney

Collaborators Kees Van Gool¹
 John Bridges¹
 Mandy Williams²
 Liz Kristensen²

1. Health Economics Trainee, NSW Department of Health

2. South Western Sydney Area Health Service.

Equity in Resource Allocation

Equity is an important objective in health service resource allocation. This project examines principles of equity, particularly concepts of vertical and horizontal equity, in terms of funding Aboriginal health services.

Funding source NHMRC and
Commonwealth Dept
of Health and
Family Services

CHERE staff Gavin Mooney



Rosalie Viney, Marian Shanahan and Marion Haas

Commissioned projects and consultancies

Consultancy to progress hospital in the home

The purpose of this consultancy is to identify and document hospital in the home models nationally with a view to improving treatment options for patients and making recommendations for the provision of cost effective care.

Funding source Commonwealth
Department of Health and
Family Services

CHERE staff Marian Shanahan
Rosalie Viney
Marion Haas

Collaborators Ian Cameron¹

1. Royal Rehabilitation Centre, Sydney

Evaluation of PET technology at Royal Prince Alfred Hospital

This project involves retrospective evaluation of the costs and outcomes of Positron Emission Tomography (PET) at Royal Prince Alfred Hospital over the last 3 years.

The clinical outcomes of PET scanning will be described, and the costs of scanning different groups of patients will be estimated. The impact on net health system resource use and on clinical management of incorporating PET scans in diagnosis and treatment of specific groups of patients (non-small cell lung cancer and colorectal cancer) will be assessed.

Funding Source NSW Health

CHERE Staff Rosalie Viney
 Ana Lowin

Collaborators Michael Fulham¹
 Bonny Foye¹
 Steve Mickle¹

1. PET Unit, Royal Prince Alfred Hospital

Breast and Cervical Screening Program Review

This review has been commissioned by the NSW Department of Health to investigate the current funding, performance, management and contractual arrangements underpinning the NSW Breast Screening Program and the NSW Cervical Screening Program. It is focused on the organisational structure and funding of both programs, examining potential changes that may be made.

Funding Source NSW Department of Health

CHERE Staff Rosalie Viney
 Karen Gerard
 Dianne Kitcher

Collaborator Richard De Abreu Lourenco¹

1. Health Economics Trainee, NSW Department of Health

Evaluation of the Falls Risk Assessment Clinic at St Joseph's Hospital, Auburn.

CHERE is collaborating with the WSAHS Health Promotion Unit to evaluate a new service currently being piloted at St Joseph's Hospital, Auburn. The objective of the project is to identify elderly people who are at increased risk of falling and offer them comprehensive assessment and intervention with the aim of preventing falls and therefore the well-known sequelae of injury, hospitalisation and loss of function, independence and well-being. CHERE's role in evaluating the pilot is to cost the service, both from a hospital and client perspective.

If possible, the data on costs will be combined with health outcome data, such as measures of risk, to estimate the relative cost-effectiveness of the service.

Funding source Western Sydney Area Health Service

CHERE staff Marion Haas
Paul Scuffham

Economic Evaluation of TB Screening

The aim of this project was to assess the relative cost-effectiveness of different screening strategies for TB. The strategies compared were population screening and targeted screening for children of different ages. Preliminary analysis has revealed that screening Year 8 students is more effective and less costly than screening Year 1 students. Targeted screening prevents approximately 94% of cases and is more cost-effective than population screening.

Funding source Community Health Services, Central Sydney

CHERE staff Jane Hall
Ana Lowin

Collaborators John Slater¹
Garth Alperstein²

1. NSW Department of Health

2. Community Health Services Central Sydney

Program Budgeting and Marginal Analysis (PBMA) in South West Sydney

PBMA is a tool to assist planning and priority setting using an economic framework. It involves identifying according to programs what resources are being used where (program budgeting) and then deciding whether the movement of resources between sub programs would result in better overall outcomes (marginal analysis). In SW Sydney Area Health Service, PBMA is being used to assist the design and implementation of the Health Improvement Plan for Coronary Heart Disease.

Funding Source South Western
Sydney Area Health
Service

CHERE staff Rosalie Viney
Marion Haas

Collaborators Liz Kristensen¹
Kim Foulds²

The Economic Impact of Psychotherapy

Psychotherapy appears to reduce the total cost of care for patients with a borderline personality disorder. In this study the cost of psychotherapy is estimated and compared with the costs of treatment patients were receiving before prior to the study.

Funding source Department of
Psychological
Medicine (Westmead
Hospital)

CHERE Staff Sue Caleo
Jane Hall

Collaborators Russell Mears¹
Janine Stephenson¹

1. Westmead Hospital

1. Division of Planning, South Western Sydney Area

2. Health Economics Trainee, NSW Department of Health

Priority Setting and Setting Principles for Purchasing

In the wake of a number of studies involving program budgeting and marginal analysis, this project is looking at whether it is possible to draw up principles for the basis of 'purchasing' health services and also whether weights can be attached to the principles involved. It appears that the objective of health services decision makers is not simply health maximisation and the project hopes to tease out what other factors policy makers consider to be relevant.

Funding Source SA Health
Commission

CHERE Staff Gavin Mooney



***Meeting to discuss Program Budgeting and
Marginal Analysis (PBMA) with NSW Health***

Publications

Peer reviewed

Cromwell D, Viney R, Halsall J, Hindle D.
Linking measures of health gain to explicit
priority setting by an Area Health Service in
Australia. *Social Science and Medicine*,
1998; 47: 2067-2074.

Gerard K, Smoker I, Seymour J.
Raising the quality of cost-utility analyses
studies: lessons learnt and still to learn. *Health
Policy* (forthcoming).

Haas M.
The relationship between
expectations and satisfaction: a qualitative
study of patients' experiences of surgery for
gynaecological cancer. *Health Expectations*
(forthcoming).

Hall J.
The economics of public health (editorial).
*Australian and New Zealand Journal of Public
Health*, 1998; 22: 186-7.

Hall J, Viney R, Haas M.
Taking a count: the economics of genetic
testing. *Australian and New Zealand Journal
of Public Health*, 1998; 22: 754-758.

Johnston K, Brown J, Gerard K, O'Hanlon
M, Morton A.
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for breast screening outcomes. *Social
Science and Medicine*, 1998; 47: 213-222.

Knapp M, Lowin A.
Child care outcomes: economic perspectives
and issues. *Children and Society*,
1998; 12: 169-179.

Lowin A, Knapp M, Beecham J.
Uses of long-stay hospital buildings. (Edito-
rial) *Psychiatric Bulletin*, 1998; 22: 129-130.

Mooney G.
Beyond health outcomes: the benefits of health
care. *Health Care Analysis*, 1998; 6: 99-105.

Mooney G.
'Communitarian claims' as an ethical basis for
resource allocation in health care. *Social
Science and Medicine*, 1998; 47: 1171-1180.

Mooney G, Leeder S.
Introduction to symposium on the ethics of
epidemiology. *Social Science and Medicine*,
1998; 47: 1133-1134.

Mooney G, Wiseman V, Jan S.
How much should we spend on health services
for Aboriginal and Torres Strait Islander
people? (Editorial) *Medical Journal of
Australia*, 1998; 169: 508.

Roos N, Bradley J, Fransoo R, Shanahan M.
How many physicians does Canada need to
care for our aging population? *Canadian
Medical Association Journal*, 1998; 158:
1275-1284.

Roos N, Black C, Roos L, Frohlich N, DeCoster C, Mustard C, Brownell M, Shanahan M, et al,
Managing health services: how administrative data and population based analyses can focus the agenda. *Health Services Management Research*, 1998; 11: 49-67.

Salkeld G, Mooney G.
What's fair in screening? *Cancer Forum*, 1998; 22: 39-42.

Shanahan M, Brownell M, Roos N.
The unintended and unexpected impacts of budget cuts: costly hospitals become more costly. *Medical Care* (forthcoming).

Shanahan M, Gousseau C.
Using the POPULIS framework for interprovincial comparisons of expenditures on health care. *Medical Care* (forthcoming).

Shanahan M, Loyd M, Roos N, Brownell M.
A comparative study of the costliness of Manitoba hospitals. *Medical Care* (forthcoming).

Shanahan M, Steinbach C, Burchill C. et al.
Adding up provincial expenditures on health care for Manitobans. *Medical Care* (forthcoming).

Viney R, Haas M. Funding arrangements for telehealth: encouraging efficiency rather than

proliferation. *Australian Health Review*, 1998; 21: 34-48.

Wiseman V, Mooney G.

Burden of illness estimates for priority setting: a debate revisited. *Health Policy*, 1998; 43: 243-251.

Non - peer reviewed

Delaney G, Gerard K.

Commentary: Breast cancer patients' attitudes about rationing post lumpectomy radiation therapy: application of trade-off methods to policy making. *Clinical Update, National Breast Cancer Centre*, <http://www.nbcc.org.au/pages/info/resource/nbccpubs/clinicup/contents.htm>.

Haas M. *Commentary on Cherkin D, Deyo R, Battie M, Street J, Barlow W.*

A comparison of physical therapy, chiropractic manipulation and provision of an educational booklet for the treatment of patients with low back pain. *New England Journal of Medicine*, 1998; 339: 1021-1029. *Australian Journal of Physiotherapy* (forthcoming).

Hall J.

The 1998-99 Health budget. *Australian Hospital and Health Care*, July 1998.

Hall J.

Health costs boom for baby boomers? *In Touch Newsletter of PHA*, 1998; 15: 9.

Hall J.

Health policy and the politics of divisiveness. *New Doctor*, 1998; 69: 2-3.

Mooney G.

General practice: where do we want to get to and how best to get there? The 1998 GP Evaluation Program Conference Proceedings, National Information Service, Flinders Medical Centre, Adelaide.

Mooney G.

Priority setting a new way forward. Proceedings of the International Health Outcomes Conference, Australian Health Outcomes Collaboration, Canberra.

Mooney G.

Equity in South African health care: a tale of minimally decent Samaritans or good South Africans. *Working Paper no. 28*, 1998, Health Economics Unit, Department of Community Health, University of Capetown.

Mooney G.

The future of Australian health care: why we shouldn't look to the market. *New Doctor*, 1998; 69:

Mooney G.

Who should come first : individuals or population? *Australian Doctor*, 1998; September 11: 75.

Mooney G.

Questions on the ethical justification for public health. *Monash Bioethical Review*, 1998; 17: 34-39.

Book

Mooney G, Scotton R. (eds.)

Economics and Australian Health Policy, Allen and Unwin, Sydney, 1998.

Book Chapters

Hall J.

Setting priorities. In Kerr C, Taylor R, Heard G. (eds). *A Handbook of Public Health Methods*. McGraw-Hill, Sydney, 1998.

Hall J.

The economic burden of disease. In Kerr C, Taylor R, Heard G. (eds). *A Handbook of Public Health Methods*. McGraw-Hill, Sydney, 1998.

Hall J.

Introduction to economic evaluation. In Kerr C, Taylor R, Heard G. (eds). *A Handbook of Public Health Methods*. McGraw-Hill 1998.

Hall J.

Methods of costing. In Kerr C, Taylor R, Heard G. (eds). *A Handbook of Public Health Methods*. McGraw-Hill, Sydney, 1998.

Hall J.

Assessing benefits. In Kerr C, Taylor R, Heard G (eds). *A Handbook of Public Health Methods*. McGraw-Hill, Sydney, 1998.

Hall J.

What is the difference between quality of life and QALYs? In Harnett P (ed). *Clinical Oncology: A Case Based Manual*. Oxford University Press, Melbourne (forthcoming).

Mooney G, Jan S, Wiseman V.

Economic issues in Aboriginal health care. In Mooney G, Scotton R (eds.) *Economics and Australian Health Policy*, Allen and Unwin, Sydney, 1998.

Mooney G.

Economics of health policy. In Mooney G, Scotton R (eds.) *Economics and Australian Health Policy*, Allen and Unwin, Sydney, 1998.

Mooney G.

Economics, communitarianism and health care. In Barer ML, Getzen TE, Stoddart GL (eds). *Health, Health Care and Health Economics*, John Wiley and Sons Chichester, Toronto, 1998.

Mustard CA, Shanahan M, Derksen S, Horne J, Evans RG.

Use of insured health care services in relation to household income in a Canadian province. In Barer ML, Getzen TE, Stoddart GL (eds). *Health, Health Care and Health Economics*. John Wiley & Sons Chichester, 1998.

CHERE discussion papers and project reports

Haas M.

An empirical exploration of patient expectations of health care. *Discussion Paper 35*.

Scuffham P, Lowin A.

The cost-effectiveness of varicella vaccine programmes in Australia. *Discussion Paper 36*.

Slater J, Hall J, Lowin A, Alperstein G.

Cost effectiveness analysis of school based Mantoux screening for TB infection in Central Sydney. *Discussion Paper 37*.

Shiell A.

Economic evaluation of proposals to reduce the harm associated with environmental tobacco smoke in the hospitality industry. *Project Report 6*.

Caleo S, Hall J.

Measles elimination: costing of a national measles immunisation "catch-up" program. *Project Report 7*.

Hall J, Haas M, Leeder S.

Contemporary and emerging issues in public health. *Project Report 8*.

Wiseman V, Jan S, Mooney G.

Past present and future policy on Aboriginal health services, 1998, Department of Public Health and Community Medicine, University of Sydney.

Education

CHERE has a strong commitment to providing education and training in health economics and to investing in professional development for its own staff. In 1998, three staff were enrolled in PhD programs, and others were at various stages of Master's degrees. CHERE is the national specialty centre for health economics under the Public Health Education and Research Program (PHERP) funded by the Commonwealth Department of Health and Aged Care. Funding for this program was extended to cover 1998.

The teaching and training activities of the Centre are undertaken at three levels. The first is aimed at providing familiarity with the principles and practices of health economics to enable people in the health system to be skilled consumers of the health economics literature and of health advice. To this end, CHERE staff participated in the Master of Public Health core program, "Approaches to Public Health Problems". Two short courses for specialised groups were developed by the health economics trainees, thus training the teachers as well as offering an introductory course to health service and hospital staff.

The second level of training is directed towards those who wish to develop more skills in health economics to enable them to undertake some straightforward analyses and use health economics in their planning and

policy work. This level has included the development of a number of electives within the Master of Public Health coursework.

The development of highly skilled specialised health economists is the objective of the third level of training. It is pursued through the professional development of staff within the Centre and through the NSW Health Economics Training Program. In addition to support for study towards formal qualifications, staff have been supported through attendance at a number of specialised workshops and short courses. In particular, in line with our strategic research objectives, there has been a focus on developing skills in choice modelling techniques.

CHERE as a PHERP specialty centre and the review

The Commonwealth Department of Health and Family Services continued our funding for an additional year to fulfill our functions as the PHERP specialty centre in health economics. Previous years have seen resources spent on developing specialist electives for the MPH program. This year we developed a pre-requisite course in microeconomics to fill the gap that had emerged between the minimal coverage of economic principles in the first semester course "Approaches to Public Health" and the more specialist health economics

electives held in second semester. The aim was to enhance a deeper understanding of economic concepts that apply to the specialist electives.

Our performance as a PHERP specialty centre was assessed in 1998 by means of a written submission to and visitation from the commissioned review team. The main purpose of this review however, was concerned with the future direction of specialty centres, although this broader outcome still awaits the results from the main PHERP review. Feedback regarding CHERE individual performance was extremely positive.

NSW Health Economics Training Program

The NSW Health Economics Training Program was initially funded to enrol new trainees until 1997. One new economics graduate was recruited in 1998, made possible by additional funding from NSW Health. In 1998, two trainees continued with placements at CHERE and the New Children's Hospital. A further three completed the program to take up full-time positions with NSW Health. We have now built up important continuing relationships with our placement providers who cover a wide range of links within the NSW health system.

With the end of the PHERP Specialty Centre program and the completion of the first phase of the Training Program, it is opportune to review our strategic directions in education. The Training Program is now well established and we have gained considerable experience in its management. It is now appropriate to develop a more flexible format to accommodate trainees from beyond NSW. New opportunities may also arise from the PHERP review and National Health and Medical Research Strategic Review.



Health Economics trainees and the co-ordinator

Teaching and training

University of Sydney

CHERE contributes to training in the Master of Public Health in the Department of Public Health and Community Medicine; in the Master of Economics in the Department of Economics; in the development of the new Graduate Medical Program in the Faculty of the Medicine and the Faculty of Health Sciences. The following courses were offered:

- Economics, values and public health, Master of Public Health, co-ordinators: Jane Hall, Marion Haas
- Principles of Microeconomics, Master of Public Health, co-ordinator: Karen Gerard. Ana Lowin
- Economic Evaluation Master of Public Health, co-ordinator: Gavin Mooney. Karen Gerard, Marian Shanahan, Ana Lowin, Paul Scuffham Jane Hall, Rosalie Viney, Janelle Seymour, Irenie Smoker.
- Treatise Development, Master of Public Health, Marion Haas
- Approaches to Problems in Public Health, Master of Public Health, co-ordinator: Gavin Mooney
- Key Issues in Health Economics, Master of Public Health, co-ordinator: Gavin Mooney

- Clinical Economics, Master of Medicine (Clinical Epidemiology), co-ordinator: Rosalie Viney
- Health Economics, Master of Economics, co-ordinator: Gavin Mooney
- Evaluation of Health Care, Graduate Diploma of Applied Science (Health Information Management), lecturer: Marion Haas
- Health Insurance, Bachelor of Applied Science (Health Information Management), guest lecture: Rosalie Viney

Other

- Central Western Area Health Service, Program Budgeting and Marginal Analysis Workshops, Marion Haas, Rosalie Viney
- NSW Department of Health, Health Improvement Branch, Introductory Workshop on Program Budgeting and Marginal Analysis, Marion Haas, Rosalie Viney
- NSW Cancer Council BSOC lecture, Measuring Quality of Life, Madeleine King
- Westmead Hospital, Economics for Ophthalmologists, Gavin Mooney

Post graduate training

During 1998, the following staff 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

Sue Caleo

Master of Commerce, University of NSW

Janelle Seymour

Master of Public Health, University of Sydney

Fellowships and scholarships received by CHERE staff

Janelle Seymour

PHRDC Scholarship

Sue Caleo

EORTC Fellowship (Belgium)

Students under supervision

The following students have been supervised
by CHERE staff during 1998:

Department of Public Health and Community Medicine, University of Sydney

MPH Students

PhD

Rick Newton

Marion Haas

Noreen Reid

Allison Shorten

Kristen Dosser

Glenn Salkeld

Meagen Gardiner

Kathy Christie

Department of Economics,

University of Sydney

PhD

Rosalie Viney

Alan Shiell

University committees

CHERE staff were also involved with a
number of committees within The
University of Sydney.

Jane Hall

- *Departmental Management Advisory Committee, Department of Public Health and Community Medicine*
- *External Affairs Committee, Faculty of Medicine*
- *Research Committee, Department of Public Health and Community Medicine*
- *Research Committee, Faculty of Medicine*
- *Sub-dean for Research, Edward Ford and Mallett Street Precinct, Faculty of Medicine*

Gavin Mooney

- *Departmental Management Advisory Committee, Department of Public Health and Community Medicine*
- *Post Graduate Panel, Department of Public Health and Community Medicine*
- *Centre for Values, Ethics and the Law in Medicine, Faculty of Medicine.*

Rosalie Viney

- *MPH Teaching, Assessment and Curriculum Committee, Faculty of Medicine.*

Conference papers, seminars and other presentations

G Mooney.

Priority setting: an economics approach.
Royal Brisbane Children's Hospital,
February.

G Mooney.

Whose values in healthcare resource allocation? Centre for Values Ethics and the Law in Medicine, March.

K Gerard.

Economic Evaluation and Clinical Trials. IMPACT (Interdisciplinary Maternal Perinatal Australian Clinical Trials) Network meeting held following PSANZ Annual meeting. Alice Springs, March.

G Mooney.

Economic critique of the GP Strategy Review. GPEP Conference, Sydney, May.

R Viney, P Kenny, J Hall.

Tamoxifen as Chemoprevention: Economic Aspects. Australian Cancer Society Consensus Meeting on Tamoxifen, May.

J Hall.

Frontiers in Economic Evaluation: DPHCM, CHERE, CTC joint seminar series, May.

G Mooney.

Economic view of the ethics of resource allocation. Ethics Forum, Westmead Children's Hospital, June.

G Mooney.

What do Australians want from their health services? Seminar of the College of Health Service Executives, Canberra, June.

G Mooney.

Public health priority setting. Seminar to the Territory Health Services, Darwin, June.

J Hall.

Economics of medical practice.
Australian Medical Students National Conference. Sydney, July.

J Hall, M Haas, R Viney.

The economic evaluation of genetic testing.
Human Genetics Society of Australasia Annual Scientific Meeting, Melbourne, July.

J Hall, R Viney, M Haas.

Problems in the evaluation of genetic testing.
20th Annual meeting of the Australian Health Economics Society, Sydney, July.

K Gerard, J Seymour, I Smoker.

Checking the checklist: experience using British Medical Journal guidelines for assessing current cost utility studies. 20th Annual meeting of the Australian Health Economics Society, Sydney, July.

K Gerard,

Discussant for paper “Beyond the individual: benefits and community health” by D Edwards, S Peacock, R Carter. 20th Annual meeting of the Australian Health Economics Society, Sydney, July.

P Scuffham.

The cost-effectiveness of introducing a varicella vaccine to the New Zealand Immunisation Schedule. 20th Annual meeting at the Australian Health Economics Society Sydney, July.

M Haas, R Viney.

Program Budgeting and Marginal Analysis (PBMA) Seminars for Mid Western Area Health Service. July.

M Haas.

Program Budgeting and Marginal Analysis (PBMA) as an economics tool for planning and priority setting. New Children’s Hospital, July.

G Mooney.

Priority setting: a new way forward. International Health Outcomes Conference, Canberra, August.

G Mooney.

Doing well but could be better, Conference on the Evaluation of the Danish Health Care System Copenhagen, September.

J Hall.

Do public health associations make a difference? The Australian Public Health Association. Plenary address. 30th Annual Public Health Association Conference, Hobart, September.

R Viney, M Haas.

Funding arrangements for telehealth: encouraging efficiency rather than proliferation. Poster presentation, 30th Annual Public Health Association Conference, Hobart, September.

A Lowin.

Is the introduction of varicella vaccine to Australia cost-effective? 30th Annual Public Health Association Conference, Hobart, September.



Guests and staff enjoy lunch prior to a CHERE seminar

M Haas, S Chapman, R Viney,
J Hall, A Ferguson.

The news on health economics: a study of resource allocation in health in the Australian print media for 1996. 30th Annual Public Health Association Conference, Hobart, September.

M Haas, R Viney.
Program Budgeting and Marginal Analysis. Seminar for Far West Area Health Service, September.

G Mooney.
Claims as a basis for priority setting, Public Health Department, University of Western Australia, October.

J Hall.
Incremental progress: health care reform in Australia. First International Symposium on Health Policy: The Commonwealth Fund. Washington, USA, October.

M Haas, P Sainsbury.
“Non-health” consequences of health care. Inaugural College of Health Sciences and Medical Foundation Research Conference, Leura, October.

M Haas.
The relationship between expectations and satisfaction: a qualitative study of patients’ experiences with surgery. Inaugural College

of Health Sciences and Medical Foundation Research Conference, Leura, October.

M Shanahan, K Gerard, D Turnbull,
C Wilkinson, G. Stamp, G. Kruzins.
Antenatal care assessment study - economic evaluation of a day assessment unit for high-risk women. Inaugural College of Health Sciences and Medical Foundation Research Conference, Leura, October.

M King, A Dobson.
Variations in the quality of life of cancer patients during chemotherapy. Inaugural College of Health Sciences and Medical Foundation Research Conference, Leura October.

V Wiseman, J Hall, M King,
D Ross, A Denniss, P Kovoov,
R Zecchin, F Moir.
Economic evaluation of early return to normal activities two weeks after acute myocardial infarction: preliminary results of a randomised study. Inaugural College of Health Sciences and Medical Foundation Research Conference, Leura, October.

R Viney.
Panel member, “The new Pap tests: automation versus litigation”, hypothetical session at the RACGP Annual Conference, Melbourne, October.

M Klee, M King, D Machin, H Hansen.
A clinical model for the timing and interpretation of quality of life assessment in cancer patients receiving chemotherapy. Clinical Oncology Society of Australia (COSA) 25th Annual Scientific Meeting, Sydney, November.

J Brown, M King, P Butow,
S Dunn, A Coates.
Unravelling quality of life: does coping style explain changes in quality of life? Clinical Oncology Society of Australia (COSA) 25th Annual Scientific Meeting, Sydney, November

M King
Analysing longitudinal quality of life data with multilevel models. University of Newcastle, Department of Statistics, Seminar Series, November.

J Hall
Future prospects for health care funding in Australia. Institute of Actuaries Seminar. Sydney, November.

P Scuffham.
Using conjoint analysis in health economics. Health Economics Research Workshop, Centre for Health Services Research and Policy, University of Auckland, November.

CHERE's Occasional seminars in health economics

Eileen Robertson
Economic Adviser, Economics and Operation Research Division, NHS U.K.
Developing effectiveness indicators for primary care: experience from England. February.

Sue Caleo
CHERE
Measles elimination: costing of a national measles immunisation 'catch-up' program. March.

John Bridges
NSW Health Economics Training Program, A new utility theory and its relationship to health economics. April.

Paul Scuffham
University of Otago, New Zealand,
Cost-effectiveness of a varicella vaccination program. April.

Dr. Fiona Blyth
Royal North Shore Hospital,
Pain Management Research. May.

Sue Taylor
Department of Pharmacy,
University of Sydney
Measuring patient preference methods for induction of labour. June.

Peter West

Senior lecturer in Health Economics, Dept.
Public Health Medicine, UMDS, Guy's and
St. Thomas' Medical and Dental School, U.K.
The NHS internal market - the illusion of
market power? July.

Jim Pearse

Director, Structural & Funding Policy Branch,
NSW Health.
Product costing in NSW public hospitals.
August.

Rosalie Viney, Marion Haas

CHERE

Funding arrangements for telehealth.
September.



Rosalie Viney (CHERE) presents a seminar on 'Funding arrangements for telehealth'

Staff



CHERE staff team

Academic staff

Karen Gerard is a Principal Research officer at CHERE and a Senior Lecturer in the University of Sydney in the Department of Public Health and Community Medicine. Karen has a MSc in Health Economics from the University of York, U.K. Her research interests include outcome measurement and valuation, economic evaluation methods and practice, priority setting, theories and analysis of equity and social welfare; evaluation of antenatal day care and benefit assessment of screening programs. She has responsibility for co-ordinating the NSW Health Economics Training Program; co-ordinating the Principles of Microeconomics course for the Master of Public Health, developing and conducting research as well as supervising research staff.

Marion Haas is a Deputy Director and Principal Research Officer at CHERE. Originally a physiotherapist, she has a Masters of Public Health from the University of Sydney and completed the NSW Public Health Officer Training program prior to joining CHERE in 1994. Her research interests include applying economics to health policy and health services issues, the use of qualitative research methods in health economics and health services research as well as describing and understanding patients' perspectives about health care. She is enrolled in a PhD in which she is examining attributes of health care (other than health) which are important to patients.

Jane Hall is Director of CHERE and Associate Professor in the Department of Public Health and Community Medicine. Her undergraduate studies were in economics and

she holds a PhD in health economics. She is interested in the development of methods of economic evaluation and sees genetic testing as a specific case where new methodological approaches are needed. Whilst primarily a health economist, she is also involved in broader aspects of public health research and policy. She sits on a number of committees and working parties, with her most recent appointment being to the Board of the NSW Cancer Council.

Gavin Mooney is Professor of Health Economics at The University of Sydney in the Department of Public Health and Community Medicine. He also holds visiting appointments at the University of Tromsø in Norway and Victoria University in New Zealand. His main research interests lie in Aboriginal health, equity and priority setting. At a conceptual level, Gavin is currently examining health care from a communitarian stance. He has just co-edited a book on the economics of the Australian health care system.

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 Masters of Economics from the University of Tasmania. Her research interests include 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 enrolled in a PhD in the Department of Economics at the University of Sydney

Research staff

Sue Caleo is a research officer. She trained originally as a pharmacist and came to health economics by way of a Graduate Diploma of Science and research into pharmacy practice. She is developing her skills in economics through part time study for a Master of Commerce. Sue has worked on a number of different projects at CHERE, including measles immunisation. Sue received a fellowship for 'Economic evaluation of cancer therapies' from the European Organisation for Research and Treatment in Cancer, Belgium which she commenced in July, 1998.

Patsy Kenny joined CHERE in 1990 as a research officer. She worked as a registered nurse before completing the BA in Government and Political Economy at The University of Sydney. Patsy was awarded her Master of Public Health from The University of Sydney in 1998. Her research areas of interest include quality of life in early stage breast cancer, patient participation in treatment decision making, evaluation of midwifery care and the incorporation of the work of unpaid carers into the evaluation of health services.

Madeleine King joined CHERE in 1991.

As the Centre's statistician, Madeleine has worked on many of the Centre's projects. She is currently completing her PhD on quality of life in cancer, having won a PHRDC training scholarship from NHMRC. The last phase of her PhD has focussed on the analysis of repeated measures and the responsiveness of health status measures.

Ana Lowin is a research officer at CHERE.

Ana has a MSc in Health Economics from the University of York in England. She came to CHERE in 1997 from the London School of Economics, where she worked on issues of the economics of mental health. Since joining the CHERE team, Ana has been involved in research of vaccination strategies for Australia and evaluation of advanced diagnostic imaging tools.

Marian Shanahan joined CHERE in 1997.

Prior to joining CHERE she completed her Masters in Economics at McMaster University and was employed at the Manitoba Centre for Health Policy and Evaluation (MCPHE) in Winnipeg, Canada where she worked on several health service costing projects using administrative data sets and hospital finance data. Current areas of research at CHERE include discrete choice modelling, hospital in the home and an economic evaluation of antenatal day care unit.

Janelle Seymour is a health economist who works as a research officer at CHERE.

She has a degree in economics from The University of Sydney. Her research interests include outcome measurement and valuation, priority setting and the economics of health promotion. She is currently completing a Master of Public Health degree by research at The University of Sydney on the economics of health promotion

Support staff

Sylvia Bowring is the administrative assistant and is the first point of contact at CHERE. Sylvia is responsible for administrative tasks including the distribution of Commonwealth Fund Harkness Fellowship information packages, promotion of the Centre's seminar series, the updating and dissemination of CHERE's discussion papers and reports as well as providing administrative support to the Director and Centre Manager.

Liz Chinchin is a qualified librarian and joined the team in July, 1997 as the Centre's Information Officer. In this role, Liz is responsible for the management of the Centre's library which consists of a large number of books, reports and discussion papers and journal articles. Liz also works closely with the researchers, undertaking literature searches as well as locating and providing information as required.

Dianne Kitcher was appointed as Centre Manager in April, 1998. She has a Master of Public Health from The University of Sydney, graduating in 1992. She has a health services management background with extensive experience in the areas of health promotion, corporate and occupational health, exercise science and rehabilitation. Dianne is responsible for the Centre's management including strategic planning, finances, personnel and administration. Her major contributions to CHERE to date include facilitating a strategic planning day for staff in December, taking on the role as conference organiser for the Health Services Research Conference planned for August, 1999, developing and implementing a computer plan for CHERE as well as working as a project team member on the Review of the NSW Cervical and Breast Screening Programs.

Trainees

John Bridges completed the second year of the NSW Health Economics Training Program this year. John has been awarded a Bachelor of Economics with honours from the Australian National University, Canberra and a Masters of Economics with first class honours from The University of Sydney. John spent his first placement at the New Children's Hospital, Westmead, investigating casemix issues. Recently he took up his second placement at the NSW

Health Department working in the Casemix Policy Unit of the Structural and Funding Policy Branch.

Richard De Abreu Lourenco is currently located at CHERE on his final placement as part of the Health Economics Training Program. Richard spent the first three months of 1998 with the Health Promotion Unit of the Central Sydney Area Health Service working on costing health promotion activity and resource distribution in population health. Subsequent to that he was seconded to the Legal and Legislative Services Branch of the NSW Department of Health for six months with the responsibility of preparing regulatory impact statements and economic appraisals of health related regulations and acts.

Kim Foulds is in the third year of the Trainee Program. She holds degrees in Medicine and Economics from The University of Sydney and an honours degree in Economics from Macquarie University. She has spent her second year of placements working on a CHERE project concerning financial incentives for adulthood immunisation and general practitioner behaviour, as well as with NSW Health on a project concerned with the cost of cross boundaries for cardiac services.

Philip Haywood has recently completed his Master of Economics at The University of Sydney, in his first year of the program.

Philip has previously completed a B.A in Economics and a medical degree from the University of Otago, New Zealand.

Irenie Smoker is currently in her third year of the Trainee Program. She has a degree in Economics from The University of Sydney and in the first year of the program, completed a Master of Economics at The University of Sydney. During 1998, Irenie finished her second placement at the NSW Health Department working in the Structural and Funding Policy Branch. She then moved to Central Sydney Area Health Services Planning Unit to carry out work on the costs and clinical practice of breast cancer treatment services in the Area.

Kees Van Gool is in his second year of the Trainee Program. He has a Bachelor of Economics and Arts from the Australian National University, Canberra and has completed the Master's of Economics at The University of Sydney. Prior to joining the training program, Kees worked at the Commonwealth Department of Health and Family Services in Canberra. He has spent 1998 working on national telehealth funding and financing options based in the Performance Management Branch of NSW Health Department.

Visiting Post-doctoral Research Fellow

Paul Scuffham, a Health Research Council of New Zealand Post-Doctoral Research Fellow from the University of Otago, was hosted by CHERE in 1998. During his stay, Paul pursued his research interests which include economic evaluation of health care interventions, economics of injury and injury prevention, immunisation and the econometric analysis of time-series data. Paul co-authored a CHERE Discussion Paper, submitted several articles to peer reviewed journals and presented a number of seminars in Sydney and New Zealand.



Paul Scuffham

Professional activities

Memberships

Australian Health Economics

Society (AHES)

Jane Hall, Rosalie Viney, Karen Gerard,
Gavin Mooney, Janelle Seymour, Ana
Lowin, Marian Shanahan, Paul Scuffham

Public Health Association (PHA)

Jane Hall, Rosalie Viney, Marion Haas,
Patsy Kenny, Sue Caleo, Gavin Mooney

International Health Economics

Association (iHEA)

Jane Hall, Marion Haas, Marian Shanahan,
Gavin Mooney, Janelle Seymour, Karen
Gerard, Ana Lowin, Paul Scuffham

International Society of Clinical Biostatistics

Madeleine King

Statistical Society of Australia (NSW Branch)

Madeleine King

Clinical Oncology Society of Australia (NSW)

Madeleine King

International Society for Quality of Life Research

Madeleine King

Pharmaceutical Society of NSW

Sue Caleo

Australian Library and Information Association (ALIA)

Liz Chinchin

Australasian Epidemiological Association (AEA)

Marion Haas

Health Economics Study Group, UK

Jane Hall, Karen Gerard, Ana Lowin

Interdisciplinary Maternal Perinatal Australian Clinical Trials (IMPACT) Network

Karen Gerard

NZ Association of Economists

Paul Scuffham

Reviews conducted by
CHERE staff for:

Journals

- Health Policy
- Health Care Analysis
- Health Economics
- Journal of Health Economics
- European Journal of Public Health
- Social Science and Medicine
- Australian and New Zealand Journal of Public Health
- Journal of Health Services Research and Policy
- Medical Journal of Australia
- International Journal of Health Promotion
- Scandinavian Journal of Occupational Therapy
- Scottish Journal of Political Economy

Grant Applications

- NHMRC

Editorial roles by
CHERE staff for:

- Health and Social Care in the Community
- Journal of Health Economics
- Australian and New Zealand Journal of Public Health
- NSW Public Health Bulletin
- International Journal of Health Planning and Management
- Social Science and Medicine
- Health Care Analysis
- Health Policy

**Courses attended by
CHERE staff**

Discrete Choice Modelling Workshop

Jane Hall, Karen Gerard, Janelle Seymour,
Rosalie Viney, Marian Shanahan, Ana Lowin,
Madeleine King, Patsy Kenny

**Experimental design and experimental
dataworkshop**

Madeleine King

**ACSPRI: A workshop on qualitative
research methods**

Marion Haas

Internet Training

Ana Lowin, Dianne Kitcher

Women in Leadership

Dianne Kitcher

CSAHS: Kronos training

Marion Haas, Dianne Kitcher, Rosalie Viney

Immunisation workshop

Marion Haas, Rosalie Viney

Effective small group teaching

Ana Lowin

Lecturing workshop

Ana Lowin

ACSPRI: Applied Logit Regression

Analysis Course

Karen Gerard

Multilevel modelling workshop

Madeleine King, Patsy Kenny

Microsoft Access workshop

Patsy Kenny

Conferences attended by
CHERE staff

**Clinical Oncology Society of Australia 25th
Annual Scientific meeting**

Madeleine King

**Australian Health Economics Society
Annual meeting, Sydney**

Jane Hall, Karen Gerard, Marion Haas,
Rosalie Viney, Marian Shanahan, Ana Lowin,
Dianne Kitcher

**30th Annual Public Health Association
Conference, Hobart**

Jane Hall, Marion Haas, Rosalie Viney, Ana
Lowin

**Inaugural College of Health Sciences and
Medical Foundation conference, Leura**

Madeleine King, Marion Haas,
Marian Shanahan

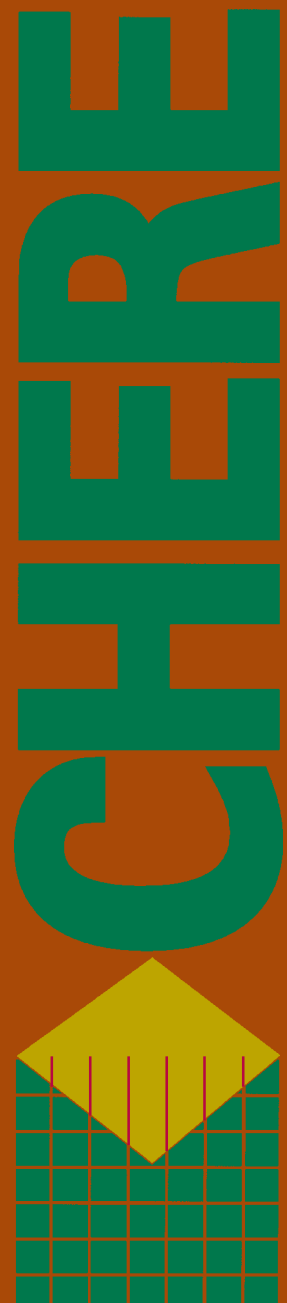
**PATCH conference on Hospital in the home,
Sydney**

Marian Shanahan

**International Symposium in Health Policy,
New York**

Jane Hall

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Centre
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and
Evaluation