1999 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. 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 economic 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.
Advisory Board

Professor John Turtle AO
Professor of Medicine
The University of Sydney

Professor John Young AO
Pro-Vice-Chancellor
College of Health Sciences
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The University of Sydney

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Central Sydney Area Health Service

Mr Peter Burrows
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The University of Sydney Medical Foundation

Assoc. Professor Jane Hall
Director
CHERE
The major event for 1999 was the convening of the Health Services Research Conference. This was an ambitious venture, fully supported by the Board and the Foundation, as a means of linking researchers and policy makers. The conference was an outstanding success. It brought to Australia a range of distinguished international scholars, it established a network of academic health services researchers and it promoted dialogue across research and policy at many different levels.

Although the conference was a major focus of CHERE’s activity and the involvement of all the members of the Centre is shown by the number of papers presented - this has not been at the expense of productivity in other areas. Publications for the year are strong, with 21 papers in peer reviewed journals and numerous others, including several book chapters. Major new research projects have been commenced, most particularly a randomised controlled trial of Positron Emission Tomography, which involves a number of sites and clinicians. Major policy projects continue, commissioned by both State and Commonwealth governments.

Those who fund, manage and provide health services are increasingly turning to economic analysis to assist with their problems of ensuring efficiency and equity.

CHERE has a major role to play in contributing to their awareness of health economics, conducting policy relevant research, providing timely and quality policy advice. The Centre’s achievements over the last year demonstrate its capacity to do that.

Professor John Turtle
# Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director’s Report</td>
<td>7</td>
</tr>
<tr>
<td>CHERE Foundation</td>
<td>13</td>
</tr>
<tr>
<td>Policy Support</td>
<td>14</td>
</tr>
<tr>
<td>HSR Conference</td>
<td>17</td>
</tr>
<tr>
<td>Research</td>
<td>19</td>
</tr>
<tr>
<td>Projects</td>
<td>22</td>
</tr>
<tr>
<td>Publications</td>
<td>32</td>
</tr>
<tr>
<td>Conference papers, seminars and other presentations</td>
<td>36</td>
</tr>
<tr>
<td>Education</td>
<td>41</td>
</tr>
<tr>
<td>Staff</td>
<td>44</td>
</tr>
<tr>
<td>Professional activities</td>
<td>50</td>
</tr>
</tbody>
</table>
The Centre for Health Economics Research and Evaluation will strive to be a centre of excellence for research, education and policy analysis in health economics. In research, the Centre aims to contribute to the development of the theory, methods and application of health economics. In education, the Centre aims to develop a network of economists, researchers, managers and policy analysts trained in health economics. In policy analysis and support, the Centre aims to bring the perspectives of health economics to policy development and evaluation.

These aims and objectives were written nine years ago, in response to the NSW Health call for expressions of interest in developing centres for health services research and evaluation. They remain relevant today, both as a summary of the various needs for health economics and as a statement of our aspirations and goals. That is not to say that things have not changed over the intervening nine years; they have changed remarkably and we find ourselves in a very different environment now.

The visibility and credibility of health economics has changed dramatically. Health economics is recognised 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.

In spite of this increasing demand for health economics and health economists, Australia is experiencing a “brain drain” in health economics. Although there are too few health economists to meet current demand, we are losing experienced researchers to other countries. Partly this is because the demand for health economics is increasing in all comparable countries. But in similar countries, such as the UK and the USA, governments have made a conscious decision to invest...
significantly more in the development of health services research, of which health economics is a major part. In these countries, not only is there a growth in project and research funds, there are more, well supported, long term positions. In contrast, here health economists and health services researchers face an uncertain future. This was illustrated by a quick survey at the Health Services Research Conference; of some 200 to 300 researchers, only one had a contract which extended beyond five years.

This is not an unrecognised problem. Peter Wills, in his review of national health and medical research\(^1\), recommended action on three fronts: an increase in funding for health and medical research; development of a strategic approach to priority health problems and issues; and building capacity in health services research. So far, the Commonwealth Government via the NHMRC has responded to the first two issues, to increase research funding and to address health priorities strategically. But, as yet there is no visible response addressing the need to build health services research capacity.

The Wills Report\(^1\) calls for existing centres in health economics and other aspects of health services research to be developed into large, multi-disciplinary centres which provide leadership in research and evaluation. This should mean some security of core funding, which allows the development and reward of professional staff, the pursuit of research programs which address theoretical and methodological problems as well as applied projects, investment in teaching and education at all levels, and reflective scholarship. In the meantime, centres such as CHERE survive on short term funding, pulled together across a range of projects, which means in turn that staff can only be offered short term employment contracts. The cost is the loss of experienced and hard to replace staff.

The plight as well as the achievements of health services research were well demonstrated in the inaugural conference held in Sydney in August. CHERE convened and took the major organising role in the conference. In doing this, we brought together other academic centres in health services research across Australia and New Zealand into an informal network.

The impetus for the conference came largely from The Commonwealth Fund through discussions of the development of health services and policy related research which now forms the strategic direction for their international program, and through their generous financial support. Our thanks are due also to the other sponsors of the program, the Nuffield Trust, the British Council, the Health Insurance Commission, and the University of Sydney College of Health Sciences.

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The conference was a great success. It was attended by approximately 350 people. The plenary speakers provided an interesting, entertaining and challenging program. The range, variety and quality of work presented across the concurrent sessions was impressive. The Commonwealth Minister of Health, Dr Michael Wooldridge, spoke informally at the opening reception with a sympathetic perspective of the achievements facing health services research and the challenges ahead.

As a result, there is now a formal network of health services researchers and policy makers in Australia and New Zealand. There will be a second conference in New Zealand in 2001, with moves to establish this as an annual event.

Whilst the Health Services Research Conference was an important focus of our activity, it was not the only significant conference to be held. The second International Health Economics Association Conference took place in Rotterdam. This attracted over 700 health economists. Four of the CHERE senior staff attended and presented papers. These conferences are the major international gathering of our peer group, and are becoming more frequent as the discipline itself becomes stronger. The next iHEA conference will be held in 2001. Other presentations have been made at national meetings.

CHERE’s publications record continues to improve. Twenty one papers have been published in peer reviewed journals over the
last year, an important indicator of research productivity. Two new major research projects commenced this year, one a randomised controlled trial of Positron Emission Tomography, the other an evaluation of genetic screening for Tay Sachs and cystic fibrosis. Both these are supported by NHMRC grants.

The Medical Foundation Program Grant continues to provide a programmatic framework for our research. The direction of our research can be summarised as investigating the benefits of health programs. Conceptually, this involves understanding people’s decisions and how they assess the costs, risks and benefits to themselves; it also involves assessing the costs and benefits from a social perspective. Methodologically, the program is exploring the use of stated preference discrete choice modelling techniques to assess and model individuals’ decisions and their evaluation of net benefits.

Preliminary work and pilot studies are now underway in immunisation, genetic screening and breast cancer screening, and the application of the same approach to workforce participation is being explored.

A number of applied policy relevant projects have been commissioned by the Commonwealth Department of Health and Aged Care, and NSW Health. As well as specific research projects and reviews, CHERE’s policy support role encompasses assisting working parties and committees, and contributing to policy debate through our published work, contributions to conferences and media comment. The role of private health insurance in Australia remains a key topic, with further implementation of Commonwealth support and subsidies for private insurance.

I was fortunate to attend the second International Symposium on Health Care Policy, sponsored and organised by The Commonwealth Fund, in Washington in October. The topic of this year’s symposium was financing and long term care of the elderly. The US faces a particular financing challenge as the ‘baby boom’ cohort reaches the age of eligibility for Medicare. In other countries, there is not the same impact on public expenditure and even countries with...
elderly populations now are managing to support universal health and long term aged care.

CHERE’s education programs, as fore-shadowed in last year’s annual report, have been curtailed over the last year, due to the cessation of the PHERP grant. The NSW Health Economics Training Program is continuing, with one health economist, Philip Haywood, now in his third and final year. We hope to find new sources of support for the program in the future. Meanwhile, our emphasis on professional development for CHERE staff remains. Three staff members, Madeleine King, Marion Haas and Rosalie Viney are enrolled for PhDs, working on topics closely related to our strategic research directions. A particular investment has been focussed on skills in stated preference discrete choice modelling, including experimental design and statistical analysis. Almost all staff have attended weekly in-house seminars on this subject.

CHERE has again attracted a number of international visitors, Alan Maynard, Professor of Health Economics, University of York and Charles Normand, Professor of Health Policy, London School of Hygiene & Tropical Medicine. We have developed closer links with the Faculty of Economics and Business Studies. Denzil Fiebig, head of the Department of Econometrics, chose to spend his study leave at CHERE and this has led to opportunities to explore collaborative research proposals.

Professor Jordan Louviere has joined CHERE as a research associate and now spends one day per week in the Centre. Jordan is Professor of Marketing at the University of Sydney and a world recognised leader in the development of stated preference discrete choice modelling. His role is to enhance our skills and expertise in these methods, and to provide leadership and support in the development and implementation of research projects.

Richard De Abreu Lourenco joined CHERE at the beginning of the year, having completed his Health Economics Training Program. Kees van Gool, also a graduate of that program, came later in the year from NSW Health. Angela Yeoh is working with us as a part time research officer; her background is in market research using stated preference techniques. Christine Pollicino has recently joined the research staff also, coming to us from Newcastle with training in both economics and medical statistics.

There are new faces in administrative support for the Centre. Gretchen Togle is now personal assistant to the Director, and Serena El Cham, receptionist and general administrative assistant.

Philip Haywood is currently employed through the Health Economics Training Program, now entering his third and final year.
Karen Gerard left CHERE in December, at the end of a three year contract, to return to more secure employment in the UK. There are few people with the skills, experience and commitment to professionalism that Karen brings to her work; and she leaves quite a gap. Ana Lowin also left to return to the UK, via some travel through Asia. She made a significant contribution to a number of projects, in particular getting the randomised trial of PET started. It was sad to farewell Sylvia Bowring during the year. Sylvia in her role as my secretary and receptionist has been the main contact with CHERE for most people. Her cheerfulness and readiness to do whatever would help get the job done were unfailing.

Dianne Kitcher has left, thankfully after the conference, for bigger challenges. Nonetheless her impact on CHERE through smoother administrative systems and regular reviews and monitoring will remain evident.

**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. My thanks also to CHERE’s Deputy Directors, Marion Haas and Rosalie Viney, for their unfailing support and commitment to our shared goals.

CHERE is also appreciative of the support given to us by all at Central Sydney Area Health Service, particularly in the executive and administrative areas. 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 receives funding from NSW Health under their Research and Development Infrastructure Program.

This annual report demonstrates our achievements for 1999 through a coherent and focussed research program, a broad range of activities directed towards policy support, and a number of educational programs. Through all of these, I believe we can claim a modest contribution to the changing position of health economics in Australia.

Jane Hall
The Foundation underwrote the Health Services Research Conference held in Sydney in August 1999. This is the first major conference on health policy and health services research in Australia and New Zealand. It attracted a broad range of participants, including academics, researchers, policy makers and managers. The conference brought together the academic centres in health services research across Australia and New Zealand, together with the key policy makers. The conference attracted around 350 participants including key note speakers from the UK, the US and Canada, many of whom had not visited Australia before. The conference recouped all the outlaid expenditure and finished with a slight surplus of income over expenditure.

Any surplus will be used to promote the development of health services research in Australia and New Zealand and particularly the establishment of a health services research network to ensure continued communication across researchers and policy makers. In this way the Foundation will provide support for the development of health services research capacity and dissemination in Australia.

Once again, the Foundation has undertaken commissioned work through the Centre for Health Economics Research and Evaluation. A major project completed during the year was the review of hospital in the home arrangements, commissioned by the Commonwealth Department of Health and Aged Care. NSW Health commissioned the review of the breast and cervical screening program. Under the auspices of the NHMRC, a handbook on the use of economic evaluation in the development of clinical guidelines is being prepared.

The Foundation was established by resolution of the Senate of the University in December 1996. President of the Foundation is Professor John Turtle, who is also Chair of CHERE’s advisory board. Other members of the Foundation are Professor John Young, 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 coordination of activities.

The objects of the Foundation are to support teaching and research in health economics at the university and have 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.
Policy Support

Australia spends over $47b each year, or 8.4% of its GDP, on health services. Health policy questions are questions of resource allocation, setting priorities and aligning incentives with objectives. The link between health economics/health services research is crucial if there is to be an informed approach to health policy making. The linkage must be two-way, through the dissemination of research results to policy makers, and through the pursuit of policy relevant research.

CHERE believes that health economists and health services researchers must play an active role in the policy process. This is pursued through a range of activities: developing policy relevant research in collaboration with decision makers; undertaking commissioned work; providing high quality health economics policy advice; and participating in the public debate on health policy issues.

CHERE staff work collaboratively and consult with clinicians and managers in the health system to develop research ideas and undertake research projects. During 1999, these projects included:

- A randomised controlled trial of Positron Emission Tomography in non-small cell lung cancer
- Measuring women’s preferences for breast cancer screening
- Assessing the benefits of varicella (chickenpox) vaccination
- An economic evaluation of antenatal day care in high risk pregnancy.

The Centre has also continued to undertake projects commissioned by the State and Commonwealth governments. New projects commissioned in 1999 include:

- A service impact analysis of telehealth services in NSW
- The development of guidelines on including economic evaluation in clinical practice guidelines development

Staff at the Centre also participate actively in the policy process through the provision of formal and informal advice to all levels of the health system, and through participation on working parties and committees. During 1999, Jane Hall has been a member of the NSW Health Council, a newly appointed advisory body to the NSW Minister for Health which, among its terms of reference, has been given the responsibility to review funding and delivery arrangements for the NSW health system. The Council’s Report will be released in March 2000. Jane Hall is also a member of the NSW Health Economic Reform Committee. Other staff members have been involved in a range of committees examining different aspects of the health system, including acute care in the home, cervical screening and intensive care.

Participation in international forums complements this work. Jane Hall is the Australian member of the Co-ordinating Committee for the International Program in Health Policy, a program sponsored by The Commonwealth Fund, a New York based
philanthropic foundation. In this capacity she attended the International Symposium on Health Care Policy which this year was focussed on the financing of long term care of the elderly. This symposium involves the Health Ministers and senior bureaucrats, with a selected few academics, from USA, UK, Canada, New Zealand as well as Australia. Jane Hall was also an invited participant in the annual health policy meeting of countries with federated systems, which was hosted this year by Australia.

Jane Hall continues to act as the Australian representative of the Harkness Fellowships in health policy. One Australian has completed his fellowship, two are currently working in the US, with another two selected to take up fellowships during 2000. This program provides a mid-career opportunity for managers, researchers, clinicians and policy makers to spend a period in the US working on a policy related research project, with the aim of developing an international network of health services researchers and policymakers.

One of the most important ways in which the Centre has contributed to dissemination of research to the health system was through its role in facilitating the first Australian and New Zealand Health Services Research Conference in Sydney in August 1999. The Conference represented an important opportunity for policy makers and researchers to interact, exchange ideas and debate both the policy and research agendas in the health system. Staff at the Centre presented 16 papers at the Conference, covering the range of work being undertaken at the Centre, including health information systems, population based screening programs, interpreting quality of life information, and understanding individual decision making.

CHERE also provides educational programs in policy relevant ways, by tailoring them to the needs of particular groups or around specific issues. During 1999, these programs included an introduction to health economics for the Victorian Society of Anaesthetists, and a seminar on economic evaluation for the Royal Australasian College of Psychiatrists.

CHERE also contributes to the public debate on health policy issues. Through our Health Economics Newsletters, the Centre provides a commentary on current issues, often linked to recent or current research. Staff also publish commentaries in non-peer reviewed journals, which reach different audiences. Jane Hall is a regular commentator on health policy in the mass media.
In 1999 staff at CHERE contributed to the following boards, working parties and committees at Commonwealth, State and Area Health Service level.

**Board**
Jane Hall  
*NSW Cancer Council*

**Committees**

**NSW Health**

Richard De Abreu Lourenco  
*NSW Health Department Intensive Care Strategic Planning Workgroup*  
*NSW Health Department Intensive Care Strategic Planning Workgroup, Modelling Sub-Committee*

Jane Hall  
*NSW Health Council*  
*Health Economics Reform Committee*

Marian Shanahan  
*Establishment Guidelines Working Party for the Guidelines for the Provision of Acute Care in the Home Project*

Rosalie Viney  
*NSW Telehealth Data and Funding Subcomittee*

**Other**
Jane Hall  
*Research Committee, NSW Cancer Council*  
*Research Committee, HCF*  
*Australian Cancer Society, National Council*  
*Australian Medical Workforce Advisory Committee*  

Harkness Fellowships in International Health Policy, Australian representative and member of selection committee  
Organising committee of the 1st Australian & New Zealand Health Services Research Conference  
Dianne Kitcher  
Organising committee of the 1st Australian & New Zealand Health Services Research Conference  
Rosalie Viney  
National Advisory Committee for the Cervical Screening Program New Technologies Working Group (NAC Subcommittee)  
NAC New Technologies Working Group  
Organising committee of the 1st Australian & New Zealand Health Services Research Conference
CHERE played a major role in organising and facilitating the inaugural Australian and New Zealand Health Services Research Conference, held in Sydney 8-11 August 1999. The Conference provided a forum for the exchange of ideas and experiences by health services researchers, policy analysts and decision makers from around the world. It presented an unique opportunity to examine the state of health services research and health policy in Australia and New Zealand, against a backdrop of developments in the US, UK and Canada.

A comprehensive picture of the important health policy and operational issues facing the two countries was provided. This was developed through a number of keynote addresses, panel discussions and individual themed sessions in which the more practical aspects of health services research were discussed.

The Conference featured an impressive list of local and international speakers including:
Andrew Podger, Secretary of the Commonwealth Department of Health and Aged Care;
Bruce Scoggins, Chief Executive of the Health Research Council of New Zealand;
Claudia Scott, Professor of Public Policy, Victoria University of Wellington;
Fiona Moss, Editor, Quality in Health Care and Associate Dean, North Thames Regional Deanery;
John Wyn Owen, Secretary, the Nuffield Trust, UK;
Karen Davis, President, The Commonwealth Fund and former Deputy Assistant Secretary for Health Policy in the US Department of Health & Human Services;
Ken Judge, Professor of Social Policy, University of Kent, Canterbury;
Pam Garside, Faculty Member at the Judge Institute of Management Studies, University of Cambridge and Co-Director of the Cambridge International Health Leadership Program;
Peter Wills, Chairman of the Health and Medical Research Strategic Review, Chairman of the Garvan Institute of Medical Research and Director of the Garvan Research Foundation;
Professor Stephen Birch, Professor of Health Economics, Department of Clinical Epidemiology and Biostatistics, McMaster University, Hamilton, Canada;
Professor Uwe Reinhardt, James Madison Professor of Political Economy and Professor of Economics and Public Affairs, Princeton University;
Professor Warwick Anderson, Chairman of the NHMRC Research Committee;
Sheila Leatherman, Senior Fellow in the Institute for Health Services Research, School of Public Health, University of Minnesota and Senior Adviser to the Nuffield Trust (UK);
Sir Alan Langlands, Chief Executive Officer of the National Health Service, England;
Toni Ashton, Senior Lecturer in Health Economics and Deputy Director of the Centre for Health Services Research and Policy, University of Auckland;
Trevor Sheldon, Professor of Health Policy, University of York, and Co-Director of the York Health Policy Group.
Other highlights at the Conference included an informal session delivered by Dr Michael Wooldridge, Minister for Health and Aged Care and the launch of an AIHW/ABS report, *The Health and Welfare of Australia’s Aboriginal and Torres Strait Islander Peoples*. During the launch, delegates were addressed by Sol Bellear, Director of Aboriginal Relations at the Aboriginal Affairs Department in New South Wales.

Overall, the Conference was hailed as a huge success with over 300 delegates attending from countries as diverse as Brazil, the US, the UK, Canada and Holland. It received considerable domestic and international press highlighting the importance of health services policy and research.

To maintain the momentum inspired by the success of the Conference, the HSR Conference Network (consisting of 12 research centres or groups, in which CHERE has taken a leading role) will continue as an informal group to enable people to continue to network and exchange ideas and experiences, to promote domestic and international dissemination of health services research and policy experience, and to auspice a second conference. The network is supported by electronic communication¹.

A report of the 1999 Conference is being finalised for release in Australia and New Zealand in early 2000. Plans are under way for the 2nd Australian and New Zealand Health Services Research Conference to be held in New Zealand during 2001.

¹ Those wishing to join this free service can email to hsr-aus-subscribe@onelist.com
Research

CHERE’s research is focussed around developing knowledge about the relationship between health and health care, and individual and social welfare, in economics terminology understanding the individual utility function and the social welfare function. This is relevant to policy as it allows the evaluation of the contribution of public health and health care services to social welfare.

CHERE’s research strategy is aimed at progressing this through four areas of research activity: conceptual, methodological, applied and policy based research. Whilst these distinctions are useful for planning and review purposes, there is considerable overlap between the different research goals in specific projects.

Conceptual research is principally concerned with broadening the boundaries of health economics and health services research in two main ways: through the development of more formal models of health and health care behaviour, and through 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. Much of CHERE’s methodological work has concerned the measurement of quality of life; and current work is focussed on the development and application of stated preference 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 specific interventions.

Policy based research uses established methods to address specific policy relevant questions, such as assessing the relative efficiency of different funding and delivery arrangements for services. The policy based research undertaken at the Centre often takes the form of commissioned projects for the Commonwealth or State departments of health.

A description of recently completed and current research projects follows. Research projects may be funded through peer reviewed grant sources. Such projects are investigator initiated; they may be developed from conceptual and methodological work underway in CHERE, or they may arise from collaborations with clinicians and/or managers around specific health services and health policy issues. Conceptual and methodological projects usually require some preliminary work up towards developing the ideas with sufficient precision to attract competitive grant funding. A range of work is underway in this preliminary project phase. There are a number of projects directly commissioned by other bodies. For commissioned research, the commissioning body sets the objectives of the research and specifies the research questions. However, commissioned research is also
competitive and often subject to external review.

**Medical Foundation Program Grant**
This grant has provided five year support for a conceptual and methodological research program. Given the dependence of CHERE on external, project related funds, this has had a major impact on the Centre’s ability to pursue these research directions. The aims of the program are to explore how the net benefits of health programs should be identified for the purpose of economic evaluation. While economic evaluation is now well established as a valuable tool in allocating health care resources, health economists are increasingly recognising that the methods conventionally used in health care do not adequately capture the range of benefits and disbenefits of health interventions. Cost-effectiveness analysis requires a unidimensional measure of outcome, typically life years saved, lives saved, or an intermediate measure of outcome such as cases prevented.

Cost-utility analysis allows both quality of life and survival to be taken into account in a single measure of outcome, but this is unlikely to capture all the impacts of health care, and is still focussed only on the health outcomes of health care. Yet, the outcomes of health care may also include the value of risk, reassurance, regret and autonomy, as well as the value of the process of the care itself.

In public health programs these other outcomes may be particularly important. Many public health programs involve people who are healthy now deciding to participate in health care now in order to reduce the risk of future illness. Some programs involve some risk of symptoms or side-effects, or being made aware of health consequences that the individual could otherwise avoid now. Thus, even where there are benefits to the individual from, for example, reassurance (such as in screening programs), or reduction in risk of morbidity (such as in immunisation programs), the decision to take part in a public health program involves a weighing up of different risks of benefit and harm for the individual. Understanding how individuals assess these different benefits and disbenefits is important in valuing the program, and in designing optimal public health programs (assessed either in terms of maximising participation or in terms of assessing where marginal social benefit equals marginal social cost).

Public health programs also have social effects. The decision to participate in a public health program may involve the individual assessing his/her own welfare and the impact on the welfare of others. Even where this is not the case, the social impacts need to be fully understood. For example, the availability of a screening test for a genetic disease means that individuals may feel under an obligation to take the test. Or the decision to take the test may impact on other members of the individual’s family. Information from screening might also be used to discriminate against people in
The work being undertaken as part of the Medical Foundation Program Grant is concerned with developing methods that allow all of these consequences to be measured and valued, and incorporated in assessment of the social costs and benefits of public health programs. In particular, stated preference discrete choice modelling techniques are employed. This approach has proved a powerful tool for valuing goods and services which do not have adequate market prices, and for predicting uptake of new goods and services.

The program strategy is to develop the methods and theory through a number of separate but related projects assessing the outcomes of different public health programs. Professor Jordan Louviere, Professor of Marketing, and Professor David Hensher, Professor of Transport Economics, at the University of Sydney, both internationally recognised experts in the use of discrete choice modelling, are currently working with CHERE on this research program.

Current program related projects are genetic screening for Tay Sachs and cystic fibrosis, varicella immunisation, and breast cancer screening. Concepts and methods developed under the program grant are transferable to other areas of health care evaluation. The value of information may be important not just in terms of public health screening so the evaluation of Positron Emission Tomography is exploring this issue with patients with a diagnosis of cancer.

Genetic Screening Project team Patsy Kenny, Richard De Abreu Lourenco, Jane Hall, Madeleine King, Marion Haas, Rosalie Viney
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 cost benefit analysis of genetic screening in NSW, using discrete choice modelling to value the benefits and harms of that screening. It focuses on screening for Tay-Sachs disease and cystic fibrosis. These are both autosomal recessive disorders in which life expectancy and quality of life are limited. Genetic testing can be used to provide information on an individual’s carrier status for such genetic diseases. This information allows the individual to make better informed reproductive decisions.

The cost effectiveness of the current screening program will be evaluated using standard costs and effectiveness measures. However these measures do not capture the value to individuals of information and certainty that can be provided by genetic screening. The value of these benefits will be collected using discrete choice modelling and incorporated in a cost benefit analysis of the current screening program. The Centre has completed the first phase of this project - qualitative interviews with individuals who have undertaken genetic testing. The information from these interviews has been used to construct the pilot choice modelling survey being implemented in early 2000.

Funding source

NHMRC
Medical Foundation Program Grant

CHERE staff

Jane Hall
Richard De Abreu Lourenco
Rosalie Viney
Madeleine King
Jordan Louviere
Patsy Kenny

Collaborators

Leslie Burnett

1. Pacific Laboratory Medicine Services, Northern Area Health Service
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. Work is well under way on exploring preference of attenders at fixed screening sites, with work to soon begin on exploring issues pertaining to mobile screening units. 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.

Assessing the benefits of varicella vaccination

An earlier project examined the cost-effectiveness of varicella (chickenpox) vaccination in Australia. Estimates of the cost effectiveness of any immunisation program are dependent on the rate of uptake. In the case of varicella this is particularly important as low levels of vaccination will affect the epidemiology of the disease, changing it from a predominantly childhood disease to one of early adulthood when it is a much more serious illness. This study is using discrete choice modelling techniques to explore the influences on parents’ decision making and to predict immunisation rates under different programs. An initial pilot was used to test the techniques and develop an appropriate questionnaire. A pilot using a community sample of parents is nearing completion.

Funding source
Medical Foundation Program Grant

CHERE staff
Karen Gerard
Marian Shanahan

Funding source
Medical Foundation Program Grant

CHERE staff
Jane Hall
Rosalie Viney
Ana Lowin
Patsy Kenny
Jordan Louviere
Madeleine King
Angela Yeoh
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. A pilot study was conducted of women attending a breast screening and assessment service. The results from this study were used to demonstrate the policy relevance of using conjoint analysis to assist service providers in evaluating methods of improving attendance rates for breast cancer screening.

Funding source University of Sydney Research Grant Scheme

CHERE staff Karen Gerard Marian Shanahan

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 saw the first full year of randomisation and data collection. 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 Kruzins ²
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. 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 are 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. Recruitment for the study commenced in April 1999, and over half of the sample has been recruited. Initial results from the study are expected in late 2000.

Funding source

NHMRC

CHERE staff

Rosalie Viney
Madeleine King
Patsy Kenny
Ana Lowin
Marion Haas
Jane Hall
Christine Pollicino

Collaborators

Michael Fulham¹
Brian McCaughan¹
Michael Boyer¹
Jocelyn McLean¹
Vera Cvetanovski¹

¹. Royal Prince Alfred Hospital
Economic evaluation of early return to normal activities (ERNA) after acute myocardial infarction

This study was designed to determine whether conventional care of six weeks rehabilitation is of benefit for patients who have had an uncomplicated heart attack and are at low risk of having another. In a randomised study, 70 patients underwent a standard rehabilitation program before returning to work 6 weeks after their heart attack (REHAB), while 72 patients returned to normal activities after 2 weeks with no formal rehabilitation (ERNA). The ERNA patients returned to paid work earlier than the REHAB patients, but there were no significant differences in return to unpaid work, use of other health services or quality of life. The net health service cost saving associated with early return to normal activities was $400 (Australian, 1996) per patient.

Funding source
NHMRC

CHERE staff
Jane Hall
Madeleine King

Collaborators
David Ross¹
Virginia Wiseman²
Rob Dennis³
Pramesh Kovoor¹
Elizabeth Wallace¹
Fiona Moir³

1. Cardiology Unit, Westmead Hospital
2. Social & Public Health Economics Research Group (SPHERE), 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. A CHERE Discussion Paper (No. 40) has been produced and a number of journal articles submitted.

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, Sydney
Other research in progress

Assessing quality of life in cancer

This is a methodological project about the measurement of quality of life (QoL). It compares two well-established, valid instruments, the EORTC's Quality of Life Questionnaire Core module (QLQ-C30) and the Functional Living Index-Cancer (FLIC), in their ability to distinguish between groups of patients who differ in health status and to detect change in QoL over time. Although the two instruments contain quite different questions, they yield remarkably similar results both cross-sectionally and longitudinally. The project, which is close to completion, has led to three publications in international peer-reviewed journals.

Funding source CHERE

CHERE staff Madeleine King

Collaborators Annette Dobson¹

¹ Centre for Clinical Epidemiology and Biostatistics, University of Newcastle

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.

Commissioned projects and consultancies

Consultancy to progress hospital in the home

The purpose of this consultancy was 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. Survey data was obtained from over 35 different facilities in Australia offering hospital in the home. The final report has been delivered to the Department of Health and Aged Care and is to be released in early 2000.

Funding source

Commonwealth Department of Health and Aged Care

CHERE staff

Marion Haas
Marian Shanahan
Rosalie Viney

Collaborators

Ian Cameron1

1. Royal Rehabilitation Centre, Sydney

Rosalie Viney, Deputy Director CHERE
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. The project has identified the main uses of PET, and will describe the clinical outcomes of PET scanning. The costs of scanning different groups of patients have been estimated. The impact of incorporating PET scans in management of specific patient groups will also be assessed.

Funding source  NSW Health

CHERE staff  Rosalie Viney
Ana Lowin
Philip Haywood
Christine Pollicino

Collaborators  Michael Fulham1

1. Royal Prince Alfred Hospital

Breast and cervical screening program review

In the early part of 1999 the Centre completed and reported on a review of breast and cervical screening in NSW, commissioned by the NSW Department of Health. The report focused on the current organisation, funding, performance and contractual arrangements of the NSW Breast Screening Program and the NSW Cervical Screening Program. It made recommendations to the Department on potential changes to both programs, including an ongoing review of potential areas for increased collaboration between the programs and other changes to their organisation.

Funding source  NSW Department of Health

CHERE staff  Rosalie Viney
Richard De Abreu
Lourenco
Karen Gerard
Dianne Kitcher
Economic analysis of psychotherapy for borderline personality disorder patients

The purpose of this study was to examine the cost effectiveness of intensive psychotherapy for a specified patient group. An earlier study had demonstrated improved health outcomes, so this was a cost minimisation study looking particularly at whether the use of other than psychiatric services was reduced. The study showed that there were cost savings, attributable primarily to reduced hospital admissions in the high users.

Funding source
Department of Psychological Medicine, Westmead Hospital; Royal Australian College of Psychiatrists.

CHERE staff
Jane Hall
Sue Caleo

Collaborators
Janine Stephenson¹
Russell Meares¹

¹ Westmead Hospital

How to undertake an economic analysis in the formulation of clinical practice guidelines

The use of systematic guidelines based on evidence in the treatment of clinical conditions is increasing. To help the production of good quality clinical guidelines the National Health and Medical Research Council has commissioned a number of toolkits. This project was to produce a toolkit for the use of economic evaluation in the production of clinical guidelines.

Funding source
NHMRC

CHERE staff
Karen Gerard
Ana Lowin
Jane Hall
Philip Haywood

Collaborators
Paul Scuffham¹

¹ Queensland University of Technology
Service impact analysis of telehealth in NSW

This project, undertaken by CHERE for NSW Health, comprised four main activities. First, pilot sites were selected as case studies to provide information on how the provision of telehealth had affected service delivery and resource use. Second, the telehealth data collection (February-May 1999) provided information on utilisation, the types of clinical and other services delivered via telehealth and who provided services. Third, a number of funding models were proposed. The funding models are variants of cost-and-volume contracts, with the differences reflecting differences in services. Both intermediate and long-term models were described. Finally, cross-border issues (between AHS and between States) were examined. The report will be completed early in 2000.

Funding source  NSW Health

CHERE staff  Marion Haas
Rosalie Viney
Marian Shanahan

Jane Hall and Philip Haywood discuss the Guidelines for Guidelines project
Publications

Peer reviewed

Bridges J.

Bridges J, Mazevska D, Smoker I, Pearse J.

Gerard K, Johnston K, Brown J.

Gerard K, Seymour J, Smoker I.

Gerard K, Smoker I, Seymour J.

Haas M, Hall J.

Haas M.

Haas M.

Hall J, De Abreu Lourenco R, Viney R.
Carrots and sticks : the fall and fall of private health insurance in Australia. Health Economics, 1999; 8: 653-660.

Hall J, Himpson S.

Hall J.
Incremental change in the Australian health care system. Health Affairs, 1999; 18: 95-110.


Kenny P, King M, Shiell A, Seymour J, Hall J, Langlands A, Boyages J.
Early stage breast cancer: costs and quality of life one year after treatment by mastectomy or conservative surgery and radiation therapy. The Breast, (forthcoming).

Kenny P, Quine S, Shiell A, Cameron S.
Participation in treatment decision-making by women with early stage breast cancer. Health Expectations, 1999; 2: 159-168.
King L, De Abreu Lourenco R.  

King MT, Hall J, Caleo S, Gurney H, Harnett P.  

Klee MC, King MT, Machin D, Hansen HH.  


Scuffham P, Devlin N, Eberhart-Phillips J, Wilson-Salt R.  

Scuffham P, Lowin A, Burgess, M.  

Shanahan M, Brownell M, Roos NP.  

Shanahan M, Gousseau C.  

Shanahan M, Loyd M, Roos N, Brownell M.  

Shanahan M, Steinbach C, Burchill C, Friesen D, Black C.  

Stapleton J, Lowin A, Russell MAH.  

Viney R.  
Warner N, King M, Langlands A, Kenny P, Boyages J. 
Symptoms 2 weeks, 3 months and 12 months after treatment of early breast cancer: the patient's perspective. 
The Breast, 1999; 8: 273-277.

Non peer reviewed

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


Hall J, De Abreu Lourenco R, Shanahan M. 

Book chapters

Hall J, Tattersall M. 

Hall J, Viney R. 


Hall J. 

Hall J. 

Hall J. 

Viney R, Stoelwinder J. 
CHERE discussion papers and project reports

De Abreu Lourenco R, Foulds K, Smoker I, Hall J.
*The Australian health care system.* Discussion Paper 38.

Bridges J.
*The rational heroin user: the interpretation of deductive economics for the consideration of heroin control policies.* Discussion Paper 39.

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

Hall J, Chinchen L.
*Australian health services research and its contribution to the international literature.* Discussion Paper 41.

Hall J, Caleo S, Stevenson J.

Bridges J, Haas M, Mazevska D.

van Gool K, Bridges J.
*Cost effectiveness study of nutrition interventions used in the prevention of coronary heart disease.* Project Report 11.

CHERE Newsletters

De Abreu Lourenco R, Smoker I, Bridges J, van Gool K, Hall J.

De Abreu Lourenco R, Haywood P.
The Wills review: an opportunity for health services research. *Health Economics Review*, 12; April.

De Abreu Lourenco R, Gerard K, Bridges J.

Kenny P, Viney R, Gerard K, Hall J, King M, Shanahan M.
Managing breast cancer: what does economics have to offer? *Health Economics Review*, 14; December.
Conference papers, seminars and other presentations

K Gerard.
An NHMRC trial of antenatal daycare for high risk women: economic issues. Presentation for Perinatal Epidemiology Seminar Program, NSW Centre for Perinatal Health Services Research, University of Sydney, February.

J Hall, R De Abreu Lourenco.
The sustainability and viability of the health care system. Australian College of Health Service Executives, Queensland Branch, Gold Coast, May.

P Haywood.
Economics of the short stay patient. NSW Anaesthetists Continuing Education Conference, Sydney, May.

M Shanahan, M Haas, R Viney, I Cameron.
An overview of the Commonwealth consultancy on advancing HITH in Australia. Home is where the health is. Prince of Wales Hospital, May.

M Shanahan, M Haas, R Viney, I Cameron.

K Gerard.
The economics of screening compliance: why some attend for screening and others don’t. International Health Economics Association 2nd World Conference, Rotterdam, June.

M Haas.

M Haas.

J Hall.
Current issues in economic evaluation. Seminar for the European Organisation for Research & Treatment of Cancer (EORTC), Brussels, June.

J Hall, M Haas, R De Abreu Lourenco.

J Hall, A Lowin, R Viney, J Louviere, P Kenny, MT King.
Identifying and valuing the benefits of varicella vaccination. International Health Economics Association 2nd World Conference, Rotterdam, June.

R Viney.
J Bridges.
Discussant for paper “Tobacco product price increases: is it a means to an end?” by
C Doran, R Sanson-Fisher. 21st Australian Conference of Health Economists, Canberra, July.

J Bridges, P Haywood.
The evolution of methodology in health economics. 21st Australian Conference of
Health Economists, Canberra, July.

J Bridges, R Hanson.
Hedonic regression analysis: understanding the
costs of a specialist paediatrics hospital. 21st
Australian Conference of Health Economists, Canberra, July.

R De Abreu Lourenco.
A portfolio approach to resource allocation in
health promotion. 21st Australian Conference of
Health Economists, Canberra, July.

D Fiebig.
Discussant for paper “Stochastic trends in
traffic crashes in New Zealand” by
P Scuffham. 21st Australian Conference of
Health Economists, Canberra, July.

K Gerard.
Discussant for paper “Hospital demand for
purchasing computed tomography scanner in
Shandong Province, PR China” by J Wang,
A Mahmood. 21st Australian Conference of
Health Economists, Canberra, July.

J Hall.
Issues in health policy. College of Health
Sciences Heads of Departments meeting,
University of Sydney, July.

J Hall.
Facilitator for budget debate. Australian
College of Health Service Executives annual
dinner, July.

P Haywood.
Discussant for paper “Schizophrenia care
assessment program (SCAP): epidemiological
and health economic assessment of
schizophrenia care in Australia” by P Davey,
L Hristova, B Montgomery, D Grainger, J
Chen. 21st Australian Conference of Health
Economists, Canberra, July.

A Lowin, R Viney, P Scuffham, J Hall,
J Louviere, P Kenny, MT King.
The use of health economics tools to assess the
introduction of Varicella vaccination to
Australia. 21st Australian Conference of
Health Economists, Canberra, July.

M Shanahan.
Discussant for paper “Institutional
considerations in priority setting: transaction
costs perspective on PBMA” by S Jan. 21st
Australian Conference of Health Economists,
Canberra, July.
K van Gool, J Bridges, MT King.
A cost-effectiveness analysis of nutrition interventions: constructing the optimal ‘portfolio’ of health promotion interventions.
21st Australian Conference of Health Economists, Canberra, July.

R Viney.

J Bridges.
Medical ethics in paediatric emergency medicine: triadic, multiple-dyadic or polyadic.
1st Australian and New Zealand Health Services Research Conference, Sydney, August.

R De Abreu Lourenco, K Gerard, D Kitcher, R Viney.
Using economics to inform policy to population-based screening programs.
1st Australian and New Zealand Health Services Research Conference, Sydney, August.

K Gerard, M Shanahan.
Discrete choice modelling: valuing improvements to breast cancer screening.
1st Australian and New Zealand Health Services Research Conference, Sydney, August.

K Gerard, M Shanahan.
Assessment of an antenatal day unit: considerations for an economic evaluation.
1st Australian and New Zealand Health Services Research Conference, Sydney, August.

M Haas, R Viney.
Program budgeting and marginal analysis: practising practical health economics.
1st Australian and New Zealand Health Services Research Conference, Sydney, August.

M Haas.
Qualitative research can help us understand how people make decisions. 1st Australian and New Zealand Health Services Research Conference, Sydney, August.

M Haas.
Hospital in the home: a cost-effective alternative to acute inpatient care? Health Association of Western Australia Seminar, Perth, August.

P Haywood.
Health information systems in an economic context. 1st Australian and New Zealand Health Services Research Conference, Sydney, August.

P Haywood.
Health economics: myths and mysteries. Victorian Society of Anaesthetists Meeting, Mt. Buller, August.
K Judge, R De Abreu Lourenco.
Prospects for changing the Australian health care system: views from a group of informed insiders. 1st Australian and New Zealand Health Services Research Conference, Sydney, August.

P Kenny.
Qualitative methods in quality of life research. 1st Australian and New Zealand Health Services Research Conference, Sydney, August.

MT King.
Interpreting quality of life measures: clinical versus statistical significance. 1st Australian and New Zealand Health Services Research Conference, Sydney, August.

MT King.
Multilevel models are useful for health services research. 1st Australian and New Zealand Health Services Research Conference, Sydney, August.

MT King.
Variations over time in quality of life in cancer. 1st Australian and New Zealand Health Services Research Conference, Sydney, August.

MT King, AJ Dobson.
Responsiveness to change: Improving the precision of estimates. 1st Australian and New Zealand Health Services Research Conference, Sydney, August.

A Lowin, J Hall, R Viney, J Louviere, P Kenny, MT King.
Whether and how to introduce Chickenpox vaccination into Australia. 1st Australian and New Zealand Health Services Research Conference, Sydney, August.

A Lowin, R Viney, M King, P Kenny, M Fulham, B McCaughan, M Boyer, J McClean.
Evaluating the role of positron emission tomography for lung cancer patients. 1st Australian and New Zealand Health Services Research Conference, Sydney, August.

M Shanahan, M Haas, R Viney, I Cameron.
HITH: what is the evidence and how do you know? 1st Australian and New Zealand Health Services Research Conference, Sydney, August.

M Shanahan, K Gerard, J Louviere.

R Viney.
Risk and uncertainty in health care: issues for economic evaluation. 1st Australian and New Zealand Health Services Research Conference, Sydney, August.
M Haas.
The importance and value of outcomes of health care other than health to patients.
Department of Public Health and Community Medicine (University of Sydney) Qualitative Group, October.

CHERE's Occasional seminars in health economics
Madeleine King
CHERE

Charles Normand
Professor of Health Policy, London School of Hygiene & Tropical Medicine.
Aging and health care costs. March.

Paul Flatau
Senior Lecturer, Department of Economics, Murdoch University.
Mental health and well-being and unemployment: results from the 1995 National Health Survey. March.

John Bridges
NSW Health Economics Training Program, NSW Health.
A discrete choice model for the likelihood of presentation of level 4 activity to a specialist paediatric hospital in NSW. June.

Alan Maynard
Professor of Health Economics, University of York.
Reforms in the UK National Health Service. July.

Terri Jackson
Senior Research Fellow & Manager, Hospital Services Research Group, Monash University Health Economics Unit.
Strengths and limitations of sources of Australian hospital cost estimates. August.

Robert Bartels and Denzil Fiebig
Department of Econometrics, University of Sydney.
Evidence of joint decision making in the choice of private health insurance. September.

Elizabeth Savage and Donald J Wright
Department of Economics, University of Sydney.
Education

CHERE has a strong commitment to providing education and training in health economics, and in investing in professional development for its own staff. There is a significant shortage of skilled health economists in Australia, due to a lack of education and training opportunities in the past. The Centre is committed to lessening this shortage through education and training.

CHERE has been the national specialty centre in health economics, funded under the Public Health Education and Research Program (PHERP), by the Commonwealth Department of Health and Aged Care. With the completion of the PHERP specialty centre program at the end of 1998, and hence no further funding from this source, our educational activities have had to be reduced.

The teaching and training activities of the Centre are undertaken at three levels. For 1999, the main effort has been on the third level of training, which is the development of highly skilled, specialised health economists. This is also most important in terms of ultimately addressing the health system’s needs for health economics and health economists. The two components of this are professional development of staff within the Centre and the NSW Health Economics Training Program. During 1999, three of the Centre’s staff were enrolled in PhD programs. Staff are supported to attend specialised workshops and short courses to develop specific skills. Throughout the year, Professor Jordan Louviere has run a weekly seminar program at CHERE in the application of discrete choice modelling. Most of the Centre’s staff have attended this program, as have others wanting to develop skills in choice modelling.

The NSW Health Economics Training Program continued during 1999. There are now 6 graduates of the training program, working in the NSW health system or pursuing a higher degree. There is one health economist who has completed the Master’s degree component and one year of practical training. There was no recruitment to the program in 1999, as there has been no further funding from NSW Health. The aims and operation of the program will be reconsidered in the light of revised strategic goals in education.

The first level of training 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 health economics literature, analysis and policy advice. One way that this objective is met is through workshops and seminars. During 1999 CHERE staff held a number of workshops for specific groups in the health system, principally addressing issues around priority setting and the use of program budgeting and marginal analysis. In addition, a number of CHERE staff were involved in seminars aimed at outlining the principles of health economics, and particularly the principles of economic evaluation to different groups in the health system.
The second level of training is directed towards those who wish to develop more skills in health economics to enable them to undertake economic analyses, and use health economics in planning and policy work. Although CHERE’s involvement in the Master of Public Health has been curtailed, staff at the Centre remain teaching Clinical Health Economics to students undertaking the Masters of Medical Science in Clinical Epidemiology, a training specifically designed for medical practitioners to become more involved in undertaking research and in using the results of clinical research.

**Teaching and training**

**University of Sydney**  
CHERE contributes to training in the Master of Medical Science in Clinical Epidemiology in the Department of Public Health and Community Medicine. In 1999 this included:

- Clinical Health Economics, Master of Medical Science, co-ordinator: Rosalie Viney, Ana Lowin.

**Other**

- Royal Prince Alfred Hospital, Ethics of Renal Medicine Seminar, Jane Hall.

- Wentworth Area Health Service, Program Budgeting and Marginal Analysis Workshop, Richard De Abreu Lourenco.

- Central and Western Area Health Service, Program Budgeting and Marginal Analysis Workshops, Richard De Abreu Lourenco, Marion Haas, Rosalie Viney.

**Post graduate training**

During 1999, 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

*Madeleine King, Statistician*
**Students under supervision**

The following students were supervised by CHERE staff during 1999:

**Department of Public Health and Community Medicine, The University of Sydney**

*MPH Students*

Rick Newton, Kristen Dosser

**Department of Economics, The University of Sydney**

*PhD*

Rosalie Viney

**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, Faculty of Medicine**
- **Sub-Dean for Research, Edward Ford and Mallett Street Precinct, Faculty of Medicine**
**Academic staff**

**Karen Gerard** was a Principal Research Officer at CHERE and a Senior Lecturer at the University of Sydney in the Department of Public Health and Community Medicine until December 1999. 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. Karen also had responsibility for the co-ordination of the NSW Health Economics Training Program, developing and conducting research as well as supervising research staff. Karen left CHERE in December to take up a new joint appointment as a senior lecturer at the University of Southampton and as a senior visiting fellow with the Health Economics Research Centre, University of Oxford.

**Marion Haas** is a Deputy Director and Principal Research Officer at CHERE and lecturer at the University of Sydney in the Department of Public Health and Community Medicine. After working for many years as a physiotherapist, she completed a Masters of Public Health and the NSW Public Health Officer Training program prior to joining CHERE. Her research interests include the application of economics to the planning, implementation and evaluation of health care services, the use of qualitative research methods in health economics and health services research and describing and understanding patients’ and consumers’ perspectives on health care. Marion is currently completing her PhD in which she is examining economic, social and individual factors influencing patient and consumer decision making about health care.

**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.

**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 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**

**Richard De Abreu Lourenco** is employed as a Senior Research Officer at CHERE. He came to the Centre in April 1999 after completing the three year health economics training program coordinated by CHERE and the NSW Department of Health. Throughout the year Richard has been involved in a number of areas including the review of breast and cervical screening services in NSW, the economic evaluation of genetic screening, program budgeting and marginal analysis, ongoing policy analysis in health insurance and funding, and coordination of the Centre's Newsletter series.

**Patsy Kenny** is a Senior Research Officer and worked as a registered nurse before joining CHERE in 1990. She has a Bachelor of Arts and Masters of Public Health from the University of Sydney. While interested in the application of both qualitative and quantitative research methods, she has worked in the following research areas: 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.

**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 has almost completed. Her current research interests include the measurement, analysis and interpretation of health-related quality of life, the analysis of longitudinal outcomes data, and the application of econometric methods to consumer choice in public health programs.
Professor Jordan Louviere joined CHERE in 1999 part-time, and is a Research Associate of the Centre. Jordan is Foundation Professor and Discipline Head of Marketing in the School of Business in the Faculty of Economics and Business at the University of Sydney. 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.

Ana Lowin was a Research Officer at CHERE until November 1999. She has a MSc in Health Economics from the University of York, U.K. She came to CHERE in 1997 from the London School of Economics, where she worked on issues of the economics of mental health. At CHERE Ana was involved in research of vaccination strategies for Australia, evaluation of advanced diagnostic imaging tools and in the preparation of guidelines for the economic evaluation of clinical practice guidelines. Currently Ana is travelling through South East Asia and India making her way back to the United Kingdom.

Christine Pollicino recently joined CHERE as a Research Officer. She holds a Master of Medical Statistics and Bachelor of Economics from The University of Newcastle. Previously Christine worked at Manly Hospital where she was involved in research on functional status, continuity of care, health services utilisation and cost in the elderly.

Marian Shanahan is a Senior Research Officer at CHERE. Originally a Registered Nurse, she has a Masters in Economics from McMaster University. Prior to joining CHERE she was a researcher at the Manitoba Centre for Health Policy and Evaluation in Canada. Her interests include the use of health economics research in setting health policy, working with administrative and hospital finance data and the relationship between health and health care utilisation. Areas of research at CHERE include discrete choice modelling, breast
cancer screening and hospital in the home.

**Kees van Gool** is a Research Officer at CHERE. He has a Bachelor of Arts and Economics (ANU) and he has completed the NSW Health Economics Training Program, including a Masters of Economics at Sydney University. Prior to joining CHERE in November 1999, Kees worked at the NSW Department of Health as a Senior Policy Analyst examining the economic and policy implications of telehealth. During 1999, he co-authored a CHERE project report and presented at a number of conferences. His research interests include health financing, workforce issues, rural health and priority setting.

**Angela Yeoh** is employed as a part time Research Officer to assist the Centre with its research using discrete choice modelling. She has a Bachelor of Commerce with Honours from the University of Sydney. Angela is currently undertaking her PhD in Marketing with the Economics Faculty at the University of Sydney.

**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 in 1999 was co-author of one of the Centre’s Discussion Papers.

**Serena El Cham** is the Centre's Administration Officer and is usually the initial point of contact at CHERE. Her key responsibilities include the distribution and maintenance of CHERE's mailing list, financial duties, and the Kronos pay system. Serena contributes to the day to day running of the centre by providing administrative support to the researchers, support staff and to the management team.

**Dianne Kitcher** was appointed as Centre Manager in April, 1998. She has a Masters 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 was responsible for the Centre’s management including strategic planning, finances, personnel and administration. Her major contributions to CHERE include facilitating a strategic planning day for staff, taking on the role as Conference Organiser for the Australian and New Zealand Health Services Research Conference which was held in August, 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. Dianne left CHERE in December to take a position as Director of Programs and Services at the Family Planning Association of NSW. **Gretchen Togle** joined CHERE in October as
Executive Assistant to Jane Hall. Before joining CHERE, she worked as the Personal Assistant to the CEO of an advertising company. Gretchen’s role at CHERE revolves around the Director’s functions as well as providing administrative, organisational and secretarial support. She is the Program Assistant for the US-based Commonwealth Fund’s Harkness Fellowship Program, which is officially represented in Australia by Jane Hall.

**Trainees**

**John Bridges** completed the requirements of the NSW Health Economics Training Program this year. He spent the first half of the year in the Casemix Policy Unit of the NSW Department of Health where he worked on a peer grouping methodology for NSW and on Casemix education. John also spent time at CHERE completing a number of research projects. During the year he delivered several conference papers on various topics in health economics, casemix management and ethics. John was also the program chair at this year’s Australian Conference of Health Economists in Canberra. John left CHERE in August to take up the Gilleece Fellowship at the City University of New York and he also works at the National Bureau of Economic Research as a research assistant in the health economics program.

**Philip Haywood** is the latest trainee in the NSW Health Economics Training Program. He has completed his second year with placements at NSW Health and, currently, at CHERE where he has worked on an evaluation of clinical cancer registries and the toolkit for economic evaluation in guideline development. He has degrees in Economics and Medicine.

**Visiting Fellows**

**Charles Normand**, Professor of Health Policy at the London School of Hygiene & Tropical Medicine, was hosted by CHERE in 1999 during part of his sabbatical leave. Throughout his stay, Charles provided valuable support and input with all aspects of ongoing work at CHERE. He was also able to pursue his research interests which include services for elderly people, palliative care and the health care consequences of ageing in the population. Whilst here, Charles presented a seminar on ageing and health care costs.
Denzil Fiebig, Associate Professor and Head of the Econometrics Department at the University of Sydney spent his sabbatical at CHERE during 1999. His research interests include End-use demand models, modelling strategic behaviour, and GLS estimation and panel data. During his visit to CHERE Denzil mainly focused on applying models of strategic behaviour to household decision making with respect to private health insurance. Denzil presented a seminar on decision making in relation to private health insurance, provided support to various staff members and participated on an interviewing panel for the selection of new staff.
Professional activities

Memberships

Australian Health Economics Society (AHES)
Jane Hall, Marion Haas, Ana Lowin, Karen Gerard, Marian Shanahan, Rosalie Viney

Public Health Association (PHA)
Patsy Kenny

International Health Economics Society (iHEA)
Jane Hall, Marion Haas, Ana Lowin, Karen Gerard, Marian Shanahan, Philip Haywood, Rosalie Viney

International Society of Clinical Biostatistics
Madeleine King

Statistical Society of Australia (NSW Branch)
Christine Pollicino

Clinical Oncology Society of Australia (NSW)
Madeleine King

International Society for Quality of Life Research
Madeleine King

Health Economics Study Group (HESG), UK
Karen Gerard

Australian College of Emergency Medicine (ACEM)
Philip Haywood

Reviews conducted by CHERE staff for:

Journals
- Australian & New Zealand Journal of Public Health
- European Journal of Cancer
- European Journal of Public Health
- Health Economics
- Health Economics Electronic Letters
- Health Policy
- Health Promotion International
- Health Services Research and Policy
- Medical Journal of Australia
- Social Science & Medicine
- Statistics in Medicine

Grant Applications
NHMRC
Editorial roles by CHERE staff for:

- Health Economics
- Health and Social Care in the Community
- NSW Public Health Bulletin
- Australian and New Zealand Journal of Public Health

Courses attended by CHERE staff

Discrete Choice Modelling, CHERE in house led by Professor Jordan Louviere
Jane Hall, Karen Gerard, Rosalie Viney, Marion Haas, Marian Shanahan, Ana Lowin, Patsy Kenny, Madeleine King, Richard De Abreu Lourenco, Kees van Gool.

National Public Health Partnership, PBMA Workshop
Richard De Abreu Lourenco

Project management
Karen Gerard

Effective Visual Presentation, DTS International Workshop
Jane Hall, Marion Haas, Rosalie Viney, Karen Gerard, Dianne Kitcher, Madeleine King, Marian Shanahan, Richard De Abreu Lourenco, Patsy Kenny, Ana Lowin, Liz Chinchen

Limdep session
Karen Gerard, Marian Shanahan

Discrete Choice Modelling in Practice: Getting to Know LIMDEP (Version 7.0) - 3-day course with practical sessions using LIMDEP econometric software
Madeleine King

Analysis of Discrete Correlated Data - 1-day workshop
Madeleine King

SAS Introductory course
Philip Haywood

Scientific Writing Course
Philip Haywood
Kees van Gool

Conferences attended by CHERE staff

- 21st Australian Conference of Health Economists, Canberra.
  Richard de Abreu Lourenco, Marian Shanahan, Ana Lowin, John Bridges, Kees van Gool, Madeleine King, Philip Haywood, Karen Gerard, Rosalie Viney, Denzil Fiebig.

- 1st Australian and New Zealand Health Services Research Conference, Sydney.
  Jane Hall, Marion Haas, Rosalie Viney, Karen Gerard, Dianne Kitcher, Marian Shanahan, Patsy Kenny, Richard De Abreu Lourenco, Ana Lowin, Madeleine King, Liz Chinchen, Philip Haywood, John Bridges.
Jane Hall.

International Symposium on Health Policy,
The Commonwealth Fund, Washington.
Jane Hall.

Public Health Association (PHA) NSW pre-election policy forum, Sydney.
Jane Hall.

8th Canadian Conference on Health Economics, Edmonton.
Marian Shanahan.

Anaesthetists Continuing Education Conference, Sydney.
Philip Haywood.

FUR IX: 9th International Conference On the Foundations Of Utility, Risk And Decision Theory, Marrakesh.
Rosalie Viney.

International Health Economics Association 2nd World Conference, Rotterdam.
Jane Hall, Marion Haas, Rosalie Viney, Karen Gerard.

NSW Telehealth Symposium, Sydney.
Rosalie Viney, Marion Haas, Marian Shanahan.