PHARM.D • YEAR 5

Pharmacoepidemiology & Pharmacoeconomics

CHAPTER 2.2

Pharmacoeconomic Evaluation



PPT CHAPTER COVER

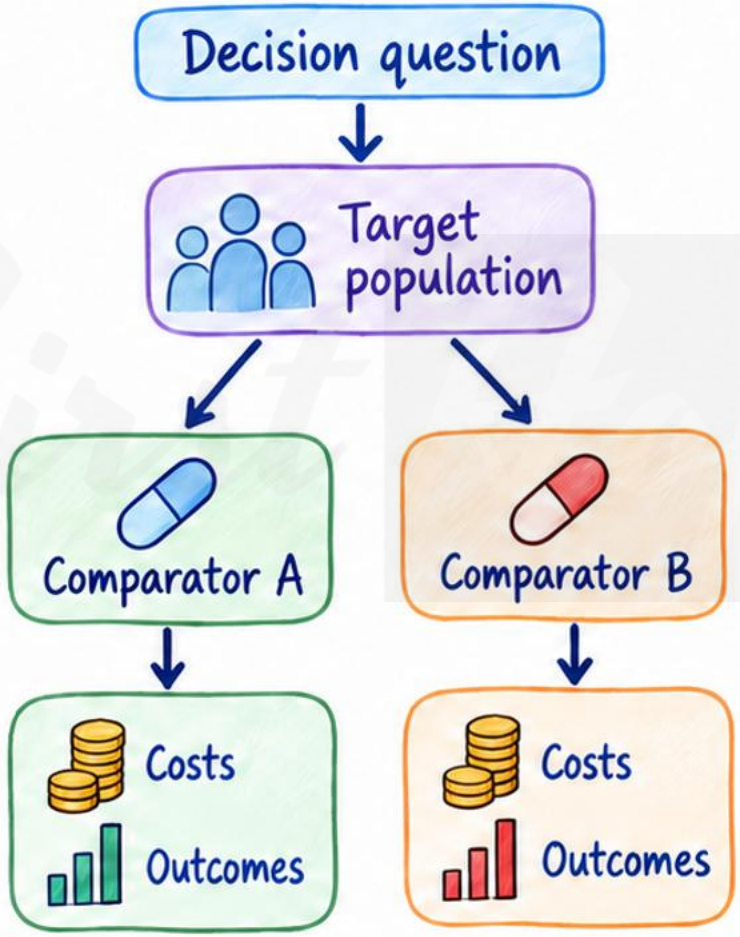
DOCTOR OF PHARMACY

Designing an Economic Evaluation

A pharmacoeconomic evaluation compares both costs and outcomes of relevant alternatives.

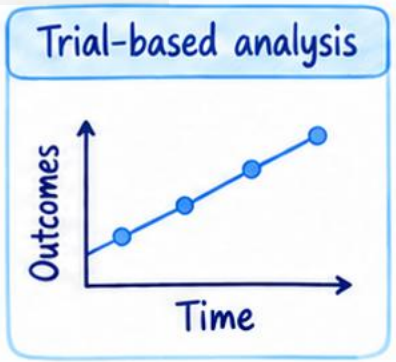
1 Define the decision question

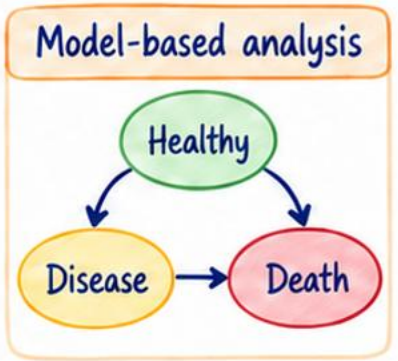
- Define the decision question, target population and comparator.
- Specify whose costs count, the follow-up horizon and the outcome measure.



2 Choose the analysis approach

- Trial-based analyses use observed study data; models may project consequences beyond the observed period.
- Choices should reflect the clinical pathway and decision setting.





3 Report and be transparent

- Report assumptions and uncertainty so another reviewer can understand how the conclusion was reached.

Perspective, Time and Outcomes

Perspective

Perspective determines which costs and consequences enter the analysis: patient, provider, payer or society.

Time

The time horizon should capture important differences between alternatives.

Comparisons need consistent definitions and measurement periods; a convenient short horizon may omit later consequences.



Clinical outcomes

Clinical outcomes include cure, survival and adverse events.

Humanistic outcomes

Humanistic outcomes include quality of life, treatment satisfaction and functioning.

Instruments such as EQ-5D or SF-36 can describe health status.

Costs: What to Include



Direct medical costs
include medicines, visits, tests and hospital treatment.

Direct non-medical costs
include travel, accommodation and paid assistance related to care.

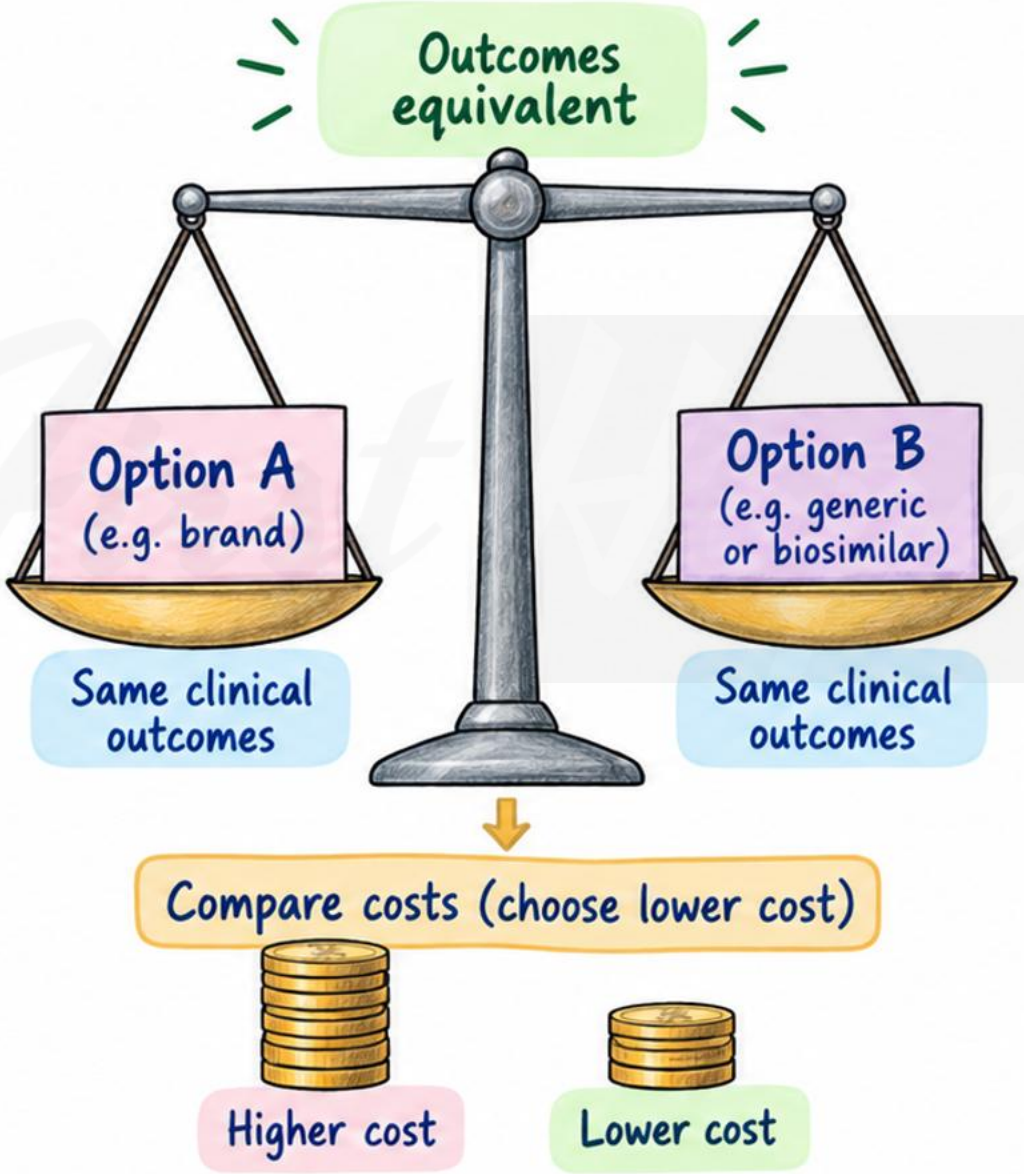
Indirect costs
include relevant productivity losses, such as work absence or unpaid caregiving.

Intangible consequences
include pain, distress and suffering; money valuation is difficult.

The analysis perspective determines inclusion.
Identify resources, measure quantities and apply appropriate unit prices, avoiding double-counting the same consequence.

Cost-Minimization Analysis (CMA)

Cost-minimization analysis (CMA) selects the lower-cost option **only when outcomes are demonstrably equivalent.**



Key considerations

- Equivalence should include clinically relevant benefits and harms, not just the same indication.
- Identify all relevant administration, monitoring and downstream costs.
- Document the evidence supporting equivalence and test uncertain costs.

Important caveats

- Being a generic or biosimilar is not, by itself, a complete economic comparison.
- If outcomes differ meaningfully, use an approach that includes those differences.

First Hope

FREE PREVIEW

Click here to visit our website

PHARMACY PREMIUM NOTES

Complete subject and semesters are available on FirstHope app only.

Scan or click here

Click here to get the app >

Available on Google Play

JOIN THE FIRSTHOPE COMMUNITY

Join our Telegram channel

Click here to join Telegram >

Scan or click here

@FirstHopeNotes

Instagram

@firsthope.official

Click here to follow >

YouTube channel

FirstHope-Pharmacy / Live streams

Click here to watch >

WhatsApp channel

Follow FirstHope on WhatsApp

Click here to join >

FirstHope website

firsthope.co.in

Click here to visit >

B.Pharm / D.Pharm / M.Pharm / Pharm.D

Preview notes. Complete subjects and semesters in the FirstHope app.