



Centre For Health Economics

# Health Economics News

issue 11 • April 2011  
www.york.ac.uk/che

## Welcome to the CHE Newsletter

If you are viewing this newsletter electronically and would like further details on particular topics, click on the icon marked www, or if reading from a hard copy go to our website [www.york.ac.uk/che/publications](http://www.york.ac.uk/che/publications)

## inside this issue...

- 2 *Crisis resolution and home treatment teams*
- 2 *Costs of specialised care*
- 2 *New price regulation in the NHS*
- 2 *Alan Williams fellowships*
- 3 *CHE/OHE Workshop HESG*
  - Staff news
  - Presentations
  - Courses
  - New funding
- 4 *Publications*



THE QUEEN'S  
ANNIVERSARY PRIZES  
FOR HIGHER AND FURTHER EDUCATION

2007



## Major new initiatives at CHE

I am delighted to welcome two new senior members of staff to CHE.

Dr Richard Cookson joins us this month from the Department of Social Policy and Social Work, here at the University of York and will focus on developing methods for analysing the health equity outcomes of health care reforms and public health programmes and incorporating them within economic evaluation.



Professor Martin Chalkley joins us in August from the University of Dundee and is interested in the role of incentives and motivation in the delivery of health care, especially with a view to controlling costs and ensuring the delivery of high quality services.

CHE looks forward to working with such impressive new colleagues.

I am also extremely pleased that two major programmes of research are now underway at CHE, the result of successful bids to establish Policy Research Units funded through the Department of Health's policy research programme. The establishment of the Economics of Social and Health Care Research Unit (ESHCRU) and the Economic Evaluation Policy Research Unit (EEPRU) will allow us to explore new areas of research and provide a robust evidence-base to inform policy and practice in health and social care. ESHCRU is directed by Professor Andrew Street at CHE, with collaborators from the University of Kent and the London School of Economics. EEPRU is a collaboration between CHE and the University of Sheffield, directed by Professor John Brazier (University of Sheffield) with Professor Mark Sculpher from CHE as his deputy.

Both these developments mark an exciting new chapter in CHE's influential research and we look forward to challenging and rewarding times ahead.

Maria Goddard  
Director

## ***The impact of crisis resolution and home treatment teams on psychiatric admissions***

Crisis Resolution and Home Treatment (CRHT) teams were introduced in England in 2000/01 to provide intensive home-based care for patients in crisis as an alternative to hospital treatment. The policy drive to introduce CRHTs and potentially divert resources away from existing Community Mental Health Teams was in part driven by early and geographically limited evidence on the effectiveness of CRHTs in reducing hospital admissions. Contrary to previous results however, and using national data with a more robust methodology, this research finds that the CRHT policy has had no significant effect in reducing hospital admissions. There were no significant differences in the number of admissions between providers with and without CRHTs, which raises questions about future policy developments in this area.

This paper is published in the British Journal of Psychiatry: [www.bjpp.sagepub.com](http://www.bjpp.sagepub.com)

**Project team:** Rowena Jacobs and Eliana Barrenho

## ***Estimating the costs of specialised care***

Research examining the costs associated with the provision of specialised care concludes that hospitals should receive extra payments for providing some types of specialised services. Under Payment by Results, hospitals are paid a national tariff for treating particular types of patients and the research explored whether this amount fully reflected the costs of providing care. Costs were found to be higher for patients receiving some types of specialised care. For instance, costs are 20% higher if specialised childrens services are provided and 21% higher for specialised orthopaedic services.

The study also showed large variation in costs among hospitals which cannot be explained by the provision of specialised services, nor by other patient characteristics, nor by differences in input prices. If hospitals with higher costs fail to improve their efficiency they may struggle financially in future.

For more details go to: [www.nuffieldtrust.org.uk](http://www.nuffieldtrust.org.uk)

**Project team:** Silvio Daidone and Andrew Street

## ***Alan Williams Fellowships – Call for applications***

CHE is pleased to be re-launching the Alan Williams Fellowships scheme. The Fellowships were first launched in 2006 as a tribute to Alan Williams and to enable health economists from anywhere in the world to spend time in York.

Applications are invited from mid-career researchers wishing to visit the Centre for Health Economics. The value of the fellowship is £5,000, intended as a contribution towards living and travel expenses associated with the visit.

**Deadline for applications is 30 June 2011**

**Further information:** [www.che.ac.uk](http://www.che.ac.uk)

## ***New price regulation in the NHS***

A robust framework is needed for the proposed new purchasing system for medicines to make sure it delivers anticipated benefits for the NHS. By 2014, a system of "value-based pricing" (VBP) will replace the current system and this fundamental change in pharmaceutical regulation offers an opportunity to base pharmaceutical pricing and access to new health technologies on sound principles, reflecting social values and the reality of a budget-constrained NHS.

However, careful specification of the scheme is required including the need for an explicit definition of value and for this to be fully reflected in an empirical estimate of the cost-effectiveness threshold. The research sets out a potential framework for VBP in the devolved NHS, as well as identifying the critical details of how the framework would be implemented.

Research report at: [www.nuffieldtrust.org.uk](http://www.nuffieldtrust.org.uk)

**Project team:** Karl Claxton and Mark Sculpher from CHE and Stuart Carroll from the Bow Group

## The NHS White Paper: An Economics Perspective

### CHE/OHE Workshop

The government's recent White Paper on the NHS ("Equity and Excellence: liberating the NHS") announced a host of important reforms for the health service over future years.

CHE organised an interactive workshop jointly with the Office of Health Economics in London on 8 December on the topic of "Equity and Excellence: Economics and

Evidence?". The aim was to provide an analytical overview of the reforms and demonstrate the role of evidence arising from research undertaken by both CHE and the OHE. It was aimed mainly at key policy makers and analysts in the Department of Health and the NHS and was attended by around 40 delegates.

Presentations on key economic aspects of the reforms relating to GP commissioning, competition, productivity and efficiency were made by Nigel Rice, Hugh Gravelle, Andrew Street and Maria Goddard from CHE, as well as colleagues from the OHE.

### **Staff news**



Dr Rowena Jacobs has been invited as an expert adviser to the Organisation for Economic Co-operation and Development (OECD) on performance measurement in mental health services.

### **Conference and workshop presentations**

Professor Mark Sculpher spoke at a conference entitled "The Asian Symposium on Value for a QALY" held by the Korean National Evidence-based Healthcare Collaborating Agency in Seoul, South Korea in January. He also spoke at a workshop on risk sharing arrangements in the reimbursement of pharmaceuticals held by the Centre for Drug Evaluation in Taipei, Taiwan.

### **Courses and workshops**

#### **Analysing patient data using hospital episode statistics**

14 - 15 June 2011

#### **York Expert Workshops in the Socio Economic Evaluation of Medicines**

27 June , 4 July, 11 July

More course details [www.che.ac.uk](http://www.che.ac.uk)

### **New funding**

#### **NICE Technology Assessment**

**Reviews.** Steve Palmer, Mark Sculpher in collaboration with the Centre for Reviews and Dissemination. Funder: Department of Health.

#### **Combining routinely collected data and patient outcomes to measure quality/costs ratios (PROMS).**

Andrew Street, Chris Bojke in collaboration with Nancy Devlin from the Office of Health Economics. Funder: NIHR-CCF.

#### **Identifying appropriate methods to incorporate concerns about health inequalities into economic evaluation of health care programmes**

(Public Health Research Consortium). Mark Sculpher, Nigel Rice, Karl Claxton, Richard Cookson, Susan Griffin. Funder: NIHR-CCF.

## Health Economists' Study Group Conference

### Hosted by CHE

The Centre for Health Economics was pleased to host the 2011 Winter Health Economists' Study Group (HESG) from 5 - 7 January. HESG exists to support and promote the work of health economists in the UK and abroad. The University of York has a long history with HESG, with the organisation originally being created by economists at York and hosting conferences on several occasions.

Now in its 39<sup>th</sup> year, the conference has a distinctive workshop style that allows an emphasis on quality over quantity with an hour devoted to discussion of each paper. The range of papers reflected the current balance of work in health economics, with the largest

categories being: economic evaluation; health measurement and determinants of health; and the performance and organisation of health care providers. With 80 abstract submissions covering empirical applications and methodological developments and over 120 registered participants representing universities from the UK and abroad (notably Scandinavia, USA and Singapore), policy makers (NHS, DoH) and the medical industry, the 2011 Winter HESG conference at York proved very popular and demonstrates the vibrancy of the field and the importance of HESG in developing the scientific and methodological foundations of health economics and putting academic ideas into practice. As with all HESG conferences, there was a strong presence of York health economists who greatly contributed towards the discussions and to a successful conference.

Ashby R, Bland JM, Cullum N, Dumville J, Hall J, Kang'ombe A, Madden M, O'Meara S, **Soares M** et al. Reflections on the recommendations of the EWMA Patient Outcome Group. *Journal of Wound Care*. 2010;19(7):282-85.

Barbieri M, **Drummond M**, Rutten F, Cook J, Glick H, Lis J, Reed SD, **Sculpher M**, Severens J. on behalf of the ISPOR Good Research Practices Economic Data Transferability Task Force. What do international pharmaco-economic guidelines say about economic data transferability? *Value in Health* 2010;13:1028-37.

Burgess J, **Street A**. Measuring organisational performance. In: Smith PC, Glied SA, editors. *The Oxford handbook of health economics*. Oxford: Oxford University Press; March 2011

**Carr-Hill R**. A large-scale donor attempt to improve educational status of the poor and household income distribution; the experience of PEDC in Vietnam. *International Journal of Educational Development*. doi:w.2010.06.0 15.

**Carr-Hill R**. The poor may always be with us; but we don't know how many there are or where they are. *Journal of Health Services Research and Policy* 2010;15:121-130.

**Carr-Hill R**, Roberts F, Currie E. Approaches to costing adult literacy programmes, especially in Africa. *International Journal of Educational Development* 2010;30:428-37.

Chase R, **Culyer AJ**, Dobrow M, Coyte P, Sawka C et al. Access to cancer drugs in Canada: looking beyond coverage decisions. *Healthcare Policy*. 2011;6:27-35.

**Culyer AJ**. *The dictionary of health economics*. 2nd Edition, Cheltenham: Edward Elgar, 2010.

**Culyer AJ**. Perspective and desire in comparative effectiveness research - the relative unimportance of mere preferences, the central importance of context. *Pharmacoeconomics* 2010;28:889-97.

Elliot RA, **Weatherly HLA**, **Hawkins NS**, Cranny G, Chambers D, Myers L, Eastwood A, **Sculpher MJ**. An economic model for the prevention of MRSA infections after surgery: non-glycopeptide or glycopeptide antibiotic prophylaxis? *European Journal of Health Economics* 2010;11(1):57-66.

Felix J, Andreozzi V, **Soares M**, Borrego P, Gervasio H et al. for the Portuguese Group for the Study of Bone Metastases. Hospital resource utilization and treatment cost of skeletal-related events in patients with metastatic breast or prostate cancer: An estimation for the

Portuguese National Health System. *Value in Health*. 2011;14(4).

Ishikawa N, Pridmore P, **Carr-Hill R**, Chaimuangdee K. The attitudes of primary school children in northern Thailand towards their peers who are affected by HIV and AIDS. *Aids Care*. 2011;23:237-44.

Ishikawa N, Pridmore P, **Carr-Hill R**, Chaimuangdee K. Breaking down the wall of silence around children affected by AIDS in Thailand to support their psychosocial health. *Aids Care*. 2010;22:308-13.

Jones AM, **Rice N**, **Robone S**. Contractual conditions, working conditions, health and well-being in the British Household Panel Survey. *The European Journal of Health Economics*. 2010;DOI 10.1007/s 10198-010-0256-0.

**Manca A**, **Sculpher M**, Goeree R. The analysis of multinational cost effectiveness data for reimbursement decisions: a critical appraisal of recent methodological developments. *Pharmacoeconomics*. 2010;28:1079-96.

**Manca A**, Eldabe S, Buchser E, Kumar K, Taylor RS. Relationship between health-related quality of life, pain, and functional disability in neuropathic pain patients with failed back surgery syndrome. *Value in Health: the journal of the International Society for Pharmacoeconomics and Outcomes Research* 2010;13(1):95-102.

Norman G, **Soares M**, Peura P, Rice S, Suh D, Wright K, **Sculpher M**, Eastwood A. Capecitabine for advanced gastric cancer. *Health Technology Assessment*. 2010;14(s2).

Paulden M, Rodgers M, **Griffin S**, Slack R, Duffy S, Ingram J R, Woolacott N, **Sculpher M**. Alitretinoin for the treatment of severe chronic hand eczema. *Health Technology Assessment* 2010;14(s1):39-46.

Pridmore P, **Carr-Hill R**. Tackling the drivers of child undernutrition in developing countries: what works and how should interventions be designed? *Public Health Nutrition*. 2010;19:1-6.

**Robone S**, **Rice N**, Smith PC. Analysis of the validity of the vignette approach to correct for heterogeneity in reporting health system responsiveness. *The European Journal of Health Economics*. 2011;12(2):141-162.

Rodgers M, **Griffin S**, Paulden M, Slack R, Duffy S, Ingram JR, Woolacott N, **Sculpher M**. Alitretinoin for severe chronic hand eczema: a NICE single technology appraisal. *Pharmacoeconomics*. 2010;28(5):351-62.

**Rosa-Dias P**. Inequality of opportunity in health: evidence from a UK cohort study. *Health Economics*. 2009;18(9):1057-74.

Schut FT, **Van den Berg B**. Sustainability of comprehensive universal long-term care insurance in the Netherlands. *Social Policy and Administration* 2010;44:411-35.

**Siciliani L**, Iverson T. *Non-price rationing and waiting times*. In: Oxford handbook of health economics: Oxford University Press; March 2011.

Spilsbury K, Adamson J, Atkin K, Bloor K, **Carr-Hill R** et al. Challenges and opportunities associated with the introduction and development of assistant practitioners supporting the work of ward-based registered nurses in Acute NHS Trusts in England. *Journal of Health Services Research and Policy*. 2010;Supplement.

Spilsbury K, Bloor K, Bartlett C, Bonsanquet K, **Carr-Hill R**. Assistant practitioners: identity, responsibilities and development. *British Journal of Healthcare Assistant*. 2010;4:599-602.

Watson JM, Kang'ombe AR, **Soares MO**, Chuang LH, Worthy G et al. on behalf of the VenUS III Team. Use of weekly, low dose, high frequency ultrasound for hard to heal venous leg ulcers: the VenUS III randomised controlled trial. *BMJ* 2011;342.

Watson JM, Kang'ombe AR, **Soares MO**, Chuang LH, Worthy G et al. on behalf of the VenUS III team. VenUS III: a randomised controlled trial of therapeutic ultrasound in the management of venous leg ulcers. *Health Technol Assess* 2011;15(13):1-176.

## Latest CHE Research Papers

### CHE Research Paper 60

Value-based pricing for pharmaceuticals: its role, specification and prospects in a newly devolved NHS - **Karl Claxton, Mark Sculpher and Stuart Carroll** [www](#)

### CHE Research Paper 61

Estimating the costs of specialised care - **Silvio Daidone and Andrew Street** [www](#)

### Research Bulletin

Improving the productivity of the English NHS - **Chris Bojke, Adriana Castelli, Mauro Laudicella, Andrew Street and Padraic Ward** [www](#)