tive to coding practices was also investigated. RESULTS: Over 100 models were implemented. Majority of the models were considered acceptable. Unacceptable models were produced for conditions of low prevalence and ill-defined conditions. Model performance was also affected by coding practice (e.g. under-coding for asthma, depression). CONCLUSIONS: A scalable and automated method for inferring disease descriptions based on pharmacy claims in a patient was successfully created. Application-specific modifications to the method need some investigation and are being pursued.

OUTCOMES AND PREFERENCES

IS THE CURRENT METHOD OF VALUING HEALTH OUTCOMES IN COST-EFFECTIVENESS ANALYSIS VALID?

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OBJECTIVES: An implicit assumption in cost-effectiveness analysis is that the value of the health benefit (e.g., life year or quality-adjusted life year gained) is directly proportional to the gain, irrespective of baseline life expectancy. For example, a gain of 6 months is valued the same, irrespective of whether the baseline life expectancy is 40 years (e.g., for a healthy, middle-aged adult) or 6 months (e.g., for a patient with metastatic cancer). We examined the theoretical and empirical evidence regarding the validity of this assumption. METHODS: We reviewed the theoretical and empirical literature on the relationship between the value of mortality reduction and life expectancy. We focused our attention on outcome valuation using the willingness-to-pay (WTP) and quality-adjusted life year (QALY) approaches. RESULTS: Results of the review suggest that while research has been conducted on the relationship between health gains and baseline life expectancy due to age, the relationship between health gains and baseline life expectancy due to health status remains largely unexplored. Economic theory suggests that WTP for risk reductions depends on baseline risk; however, the two theoretical arguments (i.e., “dead anyway” and proportionality) as to why this is so lead to opposite conclusions. QALYs are assumed to be independent of baseline life expectancy, but this assumption has been challenged by theorists who have proposed the use of “age-weighted” measures. Empirical studies have yielded mixed results. Stated and revealed values of life expectancy gains are often associated with baseline life expectancy, but the direction of the association is inconsistent. CONCLUSIONS: The literature gives mixed support for the assumption implicit in cost-effectiveness analysis that the value of a survival gain is directly proportional to the gain and independent of baseline life expectancy. Comparisons of cost per QALY across populations with varying life expectancies should recognize this limitation.

COMPARISON OF DISCRETE CHOICE EXPERIMENT (DCE) WITH VISUAL ANALOG SCALING (VAS) METHODS FOR ESTIMATING PREFERENCES FOR PHYSICAL DISABILITY STATES

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OBJECTIVES: Discrete choice experiments (DCEs) are choice-based methods used to estimate utilities. While DCEs are being used increasingly in health economics, their application to estimating utilities for health states and outcomes is more novel. Visual analog scaling (VAS) is a well-established rating method used widely in health care. Previous studies have shown that DCE and VAS results are highly correlated. This study compares state and attribute utilities for Barthel Index (BI) physical disability states estimated by DCEs and the VAS method. METHODS: A convenience sample of 152 subjects (≥ 45 years) able to answer the 37-question survey was enrolled. Demographic characteristics, and physical disability and caregiving histories were collected. The DCE consisted of 13 choice sets. The VAS exercise used a rating thermometer (0 = worst imaginable health state, 100 = best imaginable health state) to rate 14 scenarios. The survey was administered in individual and small group settings by trained researchers. Utilities for disability states and attributes were analyzed using ordinary least squares and probit regressions. Spearman correlations were calculated to compare utilities and BI scores. RESULTS: Thirty-one percent of the subjects were male, mean age was 61 years, 88% were Caucasian, 60% had more than a high school education, and 63% were married. The strongest determinants of VAS utilities were Feeding (p < .002), Continence (p < .002), Mobility (p < .001), and Mobility (p < .001). The relative contribution of Feeding was strongest in the DCE model. Correlations between VAS and DCE utilities, and BI scores were 96% and 91%, respectively. The correlation between VAS and DCE utilities was 94%. CONCLUSIONS: Although highly correlated, attribute contributions to DCE and VAS utilities differed. Subgroup analyses and exploration of design issues should help clarify the basis for the model differences.

UNDERSTANDING THE CHARACTERISTICS OF NON TRADERS IN TTO UTILITY ELICITATION

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OBJECTIVES: To investigate characteristics associated with being a non-trader and differences between trader and non-trader groups. A limitation of utility elicitation using the Time Trade-Off (TTO) method is that a substantial minority are inherently non-traders, i.e. philosophically opposed to giving up any amount of life in exchange for improved health. However, little is known regarding characteristics associated with non-traders or differences between traders and non-traders. METHODS: A cross-sectional supervised self-administered survey was used to assess the perception of health-related quality of life (HRQOL) and utilities using the Time Trade-Off (TTO) method in the general population of 3 groups: Caucasian Americans (n = 441), African Americans (n = 344), Jamaicans (n = 41). Each person was given one of three hypothetical health states. Logistic regression models were constructed and analyzed to investigate the characteristics associated with being a non-trader. Independent variables were age, gender, race/ethnicity, and importance of religion. We adjusted for current health. RESULTS: Of the 823 participants, 17% were non-traders and 57% were female. Four percent had not completed high school, 69% had a high school degree and 27% had a college degree. In terms of importance of religion, 3% reported that religion was not at all important, 6% said religion was a little important, 23% said somewhat important, and 68% said very important. Mean age of the population...