lished studies, only 25 studies were included. The majority of the studies was cost-effectiveness analysis (68%). The common weaknesses included the use of non-incremental analyses (68%, 17/25), lack of question clearly stated (36%, 9/25), and an absence of perspective explicitly stated (36%, 9/25). Provider perspective was used most frequently (48%, 12/25). Only six studies properly identified, measured, and valued all relevant cost and consequences of the interventions studied. Out of 6 studies which required differential timing adjustment, 83% (5/6) discounted both cost and consequences. Only 8 studies (32%) properly performed sensitivity analyses. Our findings found no study meeting all criteria of Drummond’s 10-item checklist. CONCLUSIONS: Overall, the quality of economic evaluation studies in Thailand is still poor. This study indicates the urgent needs to improve the standard of economic evaluation studies in Thailand.

**PMD21**

A RELIABLE AND ROBUST ALGORITHM TO DETERMINE IN-HOSPITAL LENGTH OF STAY AND READMISSIONS USING RAMQ

**Tahami Monfared AA, LeLorier J**
Centre Hospitalier de l’Université de Montréal, Campus Hôtel Dieu, Montreal, QC, Canada

**OBJECTIVES:** The Regie de l’assurance maladie du Québec (RAMQ), an administrative database containing medical and pharmaceutical services records, is frequently used in epidemiologic and economic studies. In-hospital length of stay (LOS) and readmissions are important components of such studies and can be estimated through a linkage between RAMQ and MED-ECHO (hospital separation records) databases with high reliability. However, this linkage is cumbersome and time-consuming. These parameters can also be estimated directly from RAMQ medical services database. Unfortunately, the data concerning hospitalizations are not specifically contained in RAMQ and must be deduced from in-hospital medical procedures, claimed by the physician. The objective of this study was to develop and to validate an analytical algorithm to estimate LOS and readmissions in a target population using RAMQ claims database. **METHODS:** Using the RAMQ medical services database, we identified 1441 patients aged ≥65 years with hospitalization records, who were treated for chronic obstructive pulmonary disease (COPD) between 1989 and 1996. In-hospital claims were identified using institutional coding. The validation process was then implemented through comparison analyses with a “gold standard”, MED-ECHO database, using deterministic linkage method. **RESULTS:** According to the RAMQ, 1233/1441 patients were admitted at least once during the study period. Compared to MED-ECHO, the sensitivity and specificity of the algorithm identifying the first in-hospital stay (1174 cases) were 97% and 75%, respectively, with $\beta = 0.76$. The mean LOS was 12.1 days, with a geometric mean of 6.2 days in RAMQ vs. 13.5 and 6.7 days ($p < 0.001$) in MED-ECHO; the average readmission was 3.7 times vs. 3.8 ($p = 0.36$) for the entire cohort, respectively. **CONCLUSIONS:** The algorithm is able to predict in-hospital LOS and readmissions with slight underestimation. Substantial time and cost savings can be made through estimation of in-hospital stays using RAMQ database. This algorithm is yet to be validated for other medical conditions.

**PMD22**

AN INVESTIGATION OF PATIENT HETEROGENEITY AND THE POTENTIAL FOR BIAS IN MODELLING STUDIES: AN EXAMPLE USING A MARKOV MODEL OF CHRONIC OBSTRUCTIVE PULMONARY DISEASE

**Briggs AH1, Spencer MD2**

1University of Oxford, Oxford, UK; 2GlaxoSmithKline, Greenford, Middlesex, United Kingdom

**OBJECTIVES:** Patient characteristics (age, sex, smoking status, baseline FEV-1 percent predicted) can have important consequences for the prognosis of Chronic Obstructive Pulmonary Disease (COPD). A Markov model for COPD was developed that allowed different patient prognoses and consideration was given to how such patient heterogeneity be analysed and presented. **METHODS:** A four state Markov model of COPD progression (mild, moderate, severe COPD and a dead state) was structured using the American Thoracic Society’s FEV-1 thresholds for the definition of disease. Time to progression through the states was modeled as a function of age, sex, baseline FEV-1 and smoking status. Frequency of disease exacerbations was modeled as a function of the disease state. Utility values for the health states were taken from the literature and costs were estimated from the literature and expert opinion. Treatment effects were estimated from emerging clinical trial data. Lifetime cost and QALY outcomes were predicted from the model for 2068 subjects for whom information on prognostic factors was available. **RESULTS:** Evaluating the model at the mean of the prognostic factors for the population of interest gave costs of $41,000 and $66,000 for the control and treatment groups. The corresponding QALY estimates were 2.6 and 3.5 leading to an estimated ICER of $27,000 per QALY gained. However, averaging across the 2068 individual estimates yielded $43,000 and $72,000 for costs and 3.7 and 4.6 for QALYs in the control and treatment groups respectively, generating an ICER estimate of $32,000 per QALY. **CONCLUSIONS:** These results clearly demonstrate how, in the presence of heterogeneity, evaluating models at the average values of important prognostic factors can lead to serious bias compared to averaging over individual-based predictions. This bias is due to the non-linearities inherent in most Markov models and is exacerbated once uncertainty in parameter estimation is included in a fully probabilistic framework.