analysis indicate that the results of the model are robust to changes in the base case parameters and the ICERs for PEGASYS + COPEGUS versus REBETRON are consistently lower than the ICERs of PEG-INTRON + REBETOL versus REBETRON. CONCLUSIONS: The pegylated interferons provide a cost-effective, if not cost-savings alternative to standard interferon + ribavirin. In addition to the direct cost savings, PEGASYS + COPEGUS dominate REBETRON with better efficacy at a lower cost. The model presented in this study is a critical tool to aid decision-making for therapies that have the potential to improve public health in large populations.

**DIRECT TREATMENT COSTS OF TINEA CAPITIS AMONG THE UNITED STATES PRIVATELY INSURED POPULATION**

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**OBJECTIVES:** This study was conducted to examine characteristics of patients with tinea capitis (TC) and project national direct treatment costs in patients with TC from a third-party payers’ perspective. **METHODS:** This retrospective cohort study is based on the MarketScan® research database during January 1, 1999 to December 31, 2002. Patients were identified if they had a diagnosis for TC (ICD-9 code: 110) and had continuous medical and prescription coverage. Direct treatment costs included costs associated with physician office visits, hospitalizations, and prescription drugs, calculated from the third-party payers’ perspective after adjusting to 2002 US dollar values. The parametric mean was calculated because treatment costs were observed to be skewed. Appropriate distribution of treatment costs was selected based on testing with mixed exponential, mixed weibull, and mixed log-normal distribution. The nationwide direct treatment costs attributable to TC were projected based on the U.S. privately insured population. **RESULTS:** In 2001, 2791 diagnosed patients with TC were identified of whom 60% were new (incidence cases) and 40% were recurrent. TC was more prevalent in children under 16 years old (62%), among males (59%), and those in the southern region (64%) of the U.S. The average annual cost per patient was $224 (parametric mean: $220), which was comprised of costs for prescription drugs (63%), outpatient visits (36%), and hospitalizations (1%). Costs for an oral antifungal accounted for 43% of prescription costs and topical antifungal for 11%. Average costs for patients <3 years old were half of those for patients ≥3 years old ($185 vs. $351). The national direct treatment costs attributable to TC were estimated to be $42,948,362 in US privately insured employees. **CONCLUSION:** This study demonstrates that patients with TC consume a substantial amount of health care resources from the perspective of the third party payers.

**BURDEN OF ILLNESS OF BACTERIAL CELLULITIS AND ERYSIPELAS OF THE LEG IN THE NETHERLANDS**

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**OBJECTIVES:** Recent data suggest that fungal foot infections along with other risk factors are predisposing conditions for bacterial cellulitis and erysipelas of the leg (BCERL). However, there is limited information available on the number of cases of bacterial cellulitis and erysipelas of the leg and related treatment costs. The purpose of this study was to assess the burden of illness of BCERL in The Netherlands in 2001. **METHODS:** Data for this study were obtained from different linked databases: hospital information was obtained from the Dutch Medical Registry for ICD-9-CM codes 628.6 (bacterial cellulitis) and 035 (erysipelas), including all Dutch citizens. Those patients not admitted to the hospital were estimated using general practitioner data (65,000 residents). These data were extrapolated using age/ gender and disease specific standardisation. The same sample was used to assess the localisation of the infection. For all resources reimbursement costs were available. **RESULTS:** In 2001, approximately 30,000 patients (195 per 100,000 inhabitants) have suffered from BCERL. Twenty-five hundred patients of these patients were admitted to the hospital with an average length of hospital stay of 12.1 days. The average costs per hospitalisation for BCERL were $6700; total costs for The Netherlands were $17.1 million. Consultation costs were the second most important contribution to the total costs; $3.5 million. The contribution of prescription drugs to the total costs was limited; 0.1 million for the hospitalised patients and $0.9 million for the outpatients. **CONCLUSIONS:** BCERL infections are common and serious infections in The Netherlands. Hospitalisation only occurs in less than 10% of the patients but contributes more than 80% to the total costs that cumulate up to $21 million a year. Fungal foot infections along with other risk factors have been identified as predisposing conditions for BCERL. Screening and treatment of patients presenting such risk factors may help reduce the economic burden of BCERL.