medical device, whilst crucial for late-stage reimbursement decisions, is often negated by developers early on due to lack of data. The headroom method has been proposed as a way to perform economic evaluation into early go/no-go decisions. By estimating the maximum reimbursable price (MRP) for a new device idea and comparing this with forecasted developer's costs, R&D resources can be channelled towards innovations for which future returns appear feasible. The aim of this study was to evaluate a novel method in order to elicit more accurate information given an appropriate diverse set of case studies, and comparing predicted 'headroom' with actual market success, within the UK setting. METHODS: The method was applied systematically to twenty devices/diagnoses invented in the past, retrieved from the UK national horizon scanning centre (NHSC) 2000-2009 database, literature searches were data restricted to mimic the information available at the 'concept stage' of development. Each case study was followed up to observe the product's actual market success or failure compared with the estimated 'headroom' and the development decisions that would have engendered, in order to explore the method's predictive value. RESULTS: Headroom correlated with subsequent market success in 85% of cases. Headroom is most easily elicited where the change proposition of the innovation is straightforward (e.g. direct replacement technologies); diagnostic equipment providing ancillary difficulties. When the numerical headroom assessments were considered alongside unequivocal factors identified relating to the clinical and market context, the method offered a good indication of future market potential. CONCLUSIONS: Despite the strong advocacy of early economic evaluation, the literature lacks a critical appraisal of any such method. This study for the first time explores the potential implications of basing development decisions on the headroom method, thereby assessing its potential value to stakeholders. PRM23

COST-EFFECTIVENESS VERSUS PATIENT ACCEPTABILITY: THE EXEMPLAR OF CFS/ME
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Nurse-led self-help treatments for people with chronic fatigue syndrome/myalgic encephalitis (CFS/ME) have been shown to be effective in reducing fatigue but their cost-effectiveness is unknown. OBJECTIVES: To determine the cost-effectiveness of alternative treatment options for people with CFS/ME in a primary care setting. Design and setting: Cost-effectiveness analysis conducted alongside a single blind randomised controlled trial comparing pragmatic rehabilitation (PR) and supportive (SL) delivered by primary care nurses, and treatment as usual (TAU) delivered by the general practitioner (GP) in North West England. METHODS: A total of 296 patients aged 18 and over with CFS/ME diagnosed using the Oxford criteria was conducted. Data was collected on demographics, diagnosis and adjusted life years (QALYs) measured within the time frame of the trial. RESULTS: Treatment as usual is less expensive and leads to better patient outcomes compared with Supportive Treatment. Treatment as usual is also less expensive than Pragmatic Rehabilitation. PR was effective at reducing fatigue in the short term, but the impact of the intervention on QALYs was uncertain. However, based on the results of this trial, PR is unlikely to be cost-effective in this patient population. CONCLUSIONS: This analysis does not support the introduction of SL. Any benefits gained from SL did not appear to be of sufficient magnitude to warrant carrying out PR for this patient group on cost-effectiveness grounds alone. However, dissatisfaction with current treatment options means simply continuing with 'treatment as usual' in primary care is unlikely to be acceptable to patients and practitioners. PRM24

METHODS FOR ANALYSIS OF CENSORED COST DATA
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OBJECTIVES: To review published methods for estimating expected lifetime costs in presence of censoring. To compare results with different methods and offer suggestions for use in future research. METHODS: We searched the literature for published methods for analysing cost data in presence of censoring. Methods were assessed and compared with Monte-Carlo simulation using a hypothetical dataset, introducing various degrees of censoring. All calculations were performed in STATA 11.2. RESULTS: Different methods have been proposed to estimate lifetime costs in presence of censoring. In the most commonly used methods, time is divided into periods, the mean cost is estimated for each period and expected costs estimated as a weighted sum across periods. However, the task of determining the period length is normally left to the analyst. If time periods are too long, information risks being lost, while very short but frequent periods impedes calculation speed. An alternative approach is proposed, which avoids the arbitrary choice of period length. CONCLUSIONS: Expected lifetime costs can be estimated through a weighted sum of all observed costs, with weights constructed by the Kaplan-Meier survival probability and the number of patients at risk at the time each cost was incurred. This avoids constructing time periods with arbitrary length and potentially improves calculation speed or accuracy. PRM25

ISSUES AND UNCERTAINTIES IN COMBINATION OF DIAGNOSTIC TECHNOLOGIES: A CASE STUDY IN EPILEPSY SURGERY
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OBJECTIVES: There exists very little in the way of current guidelines or literature as to the combination and sequence of visualization technologies (invasive or non-invasive) that should be used for the visualisation of seizure focus in patients with refractory epilepsy being considered for surgery. This lack of guidelines is typical in many diagnostic technol-