

# Cost-Effectiveness and Decision Modeling in R

## Decision Tree Exercise

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- Jalal H, Pechlivanoglou P, Krijkamp E, Alarid-Escudero F, Enns E, Hunink MG. An Overview of R in Health Decision Sciences. *Med Decis Making*. 2017; 37(3): 735-746. <https://journals.sagepub.com/doi/abs/10.1177/0272989X16686559>
- Krijkamp EM, Alarid-Escudero F, Enns EA, Jalal HJ, Hunink MGM, Pechlivanoglou P. Microsimulation modeling for health decision sciences using R: A tutorial. *Med Decis Making*. 2018;38(3):400-22. <https://journals.sagepub.com/doi/abs/10.1177/0272989X18754513>
- Krijkamp EM, Alarid-Escudero F, Enns E, Pechlivanoglou P, Hunink MM, Jalal H. A Multidimensional Array Representation of State-Transition Model Dynamics. *BioRxiv* 670612 2019. <https://www.biorxiv.org/content/10.1101/670612v1>

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## Exercise I: Treatment for Viral encephalitis – A Decision Tree

Viral encephalitis can be caused by herpes viruses (HVE) or other viruses (OVE). Herpes viruses cause approximately 52% of cases of viral encephalitis. Without treatment, the risk of complications (death or severe sequelae) for HVE is 71%; for OVE, the risk is only 1%. A drug, vidarabine, decreases the likelihood of complications due to HVE from 71% down to 36%. However, among OVE patients, treatment with vidarabine is associated with severe side effects, increasing the risk of complications from the 1% baseline to 20%. It is possible to obtain a definitive diagnosis of HVE by means of a brain biopsy, but the procedure itself also has a 5% probability of inducing complications.

You are tasked with evaluating the healthcare costs and benefits associated with three possible management strategies (no treatment, vidarabine treatment, or brain biopsy followed by vidarabine treatment for those who are diagnosed with HVE). Benefits will be measured in terms of quality-adjusted life-years (QALYs).

The healthcare cost of a case of viral encephalitis without complications is \$1,200; however, if complications occur, the cost rises to \$9,000. The cost of vidarabine treatment is \$9,500, while a brain biopsy is a \$25,000 procedure.

A patient who recovers from viral encephalitis without complications has an average of 20 remaining QALYs; however, a patient who experiences complications has an average of 19 remaining QALYs. Since a brain biopsy is an unpleasant procedure, patients who undergo it also experience a one-time loss of 0.01 QALYs regardless of the outcome of the biopsy.

Parameters are summarized in Table 1. Use the code template provided in “HVE\_DecisionTree\_Template.Rmd” as a starting point for this exercise.

### Tasks

1. Sketch out the decision tree, with a particular focus on the outcome values (costs and QALYs) at terminal nodes.
2. The code template contains calculations for the “No Treatment” strategy. Write code that calculates the expected outcomes for the two other strategies.
3. Use the `calculate_icers()` function from the `dampack` package to calculate the incremental costs, QALYs, and ICERs of each strategy. Type “`?calculate_icers()`” to see function documentation.

**Table I: Input parameters**

Parameter	R name	Value
Prevalence of HVE	p_HVE	0.52
Probability of complications (death or sequelae) without treatment		
- HVE	p_HVE_comp	0.71
- OVE	p_OVE_comp	0.01
Probability of complications (death or sequelae) with vidarabine treatment		
- HVE	p_HVE_comp_tx	0.36
- OVE	p_OVE_comp_tx	0.20
Probability of complications due to brain biopsy	p_biopsy_comp	0.05
Quality-adjusted life-years (QALYs)		
- Remaining QALYs without VE complications	q_VE	20
- Remaining QALYs with VE complications	q_VE_comp	19
- QALY loss due to brain biopsy	q_loss_biopsy	-0.01

Parameter	R name	Value
Healthcare costs		
- Cost of viral encephalitis without complications	c_VE	\$1,200
- Cost of viral encephalitis with complications	c_VE_comp	\$9,000
- Vidarabine treatment	c_tx	\$9,500
- Brain biopsy	c_biopsy	\$25,000