

# Adapting the model to your needs

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You may need to model:

- a. A different cycle length (monthly, daily, etc.)
- b. A different number of states
- c. A different discount rate (3.5%, 5%, etc)
- d. A different treatment effectiveness measure (RR, OR, etc.)
- e. Just two strategies: new treatment vs. standard of care (rare diseases)
- f. A different initial state vector



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Please, do not worry about:

- ❖ Adding all-cause mortality rates per age.
- ❖ Adding time-dependent variables (treatment effectiveness, health utilities, etc.)
- ❖ Running probabilistic sensitivity analysis



**NEXT WORKSHOP  
REGISTRATIONS OPEN SOON..**



## a. A different cycle lengths (monthly, daily, etc.)

```
67 ▾ # Model input ----
68 ▾ ## General setup ----
69  cycle_length <- 1      # cycle length equal to one year (use 1/12 for monthly)
70  n_age_init  <- 25      # age at baseline
71  n_age_max   <- 100     # maximum age of follow up
72  n_cycles <- (n_age_max - n_age_init)/cycle_length # time horizon, number of cycles
```

```
244  /* Vector of state utilities under strategy SoC
245  v_u_SoC    <- c(H = u_H,
246                S1 = u_S1,
247                S2 = u_S2,
248                D = u_D) * cycle_length
249  /* Vector of state costs under strategy SoC
250  v_c_SoC    <- c(H = c_H,
251                S1 = c_S1,
252                S2 = c_S2,
253                D = c_D) * cycle_length
```



## b. A different number of states

```
67 ▾ # Model input ----
68 ▾ ## General setup ----
69 cycle_length <- 1      # cycle length equal to one year (use 1/12 for monthly)
70 n_age_init <- 25       # age at baseline
71 n_age_max <- 100       # maximum age of follow up
72 n_cycles <- (n_age_max - n_age_init)/cycle_length # time horizon, number of cycles
73 v_names_states <- c("H", # the 4 health states of the model:
74                     "S1", # Healthy (H), Sick (S1), Sicker (S2), Dead (D)
75                     "S2",
76                     "D")
77
78 n_states <- length(v_names_states) # number of health states
79
80 ▾ ### Discounting factors ----
```



## b. A different number of states

```
176 ▾ ### Fill in matrix ----
177  #* From H
178  m_P["H", "H"] <- (1 - p_HD) * (1 - p_HS1)
179  m_P["H", "S1"] <- (1 - p_HD) * p_HS1
180  m_P["H", "D"] <- p_HD
181  #* From S1
182  m_P["S1", "H"] <- (1 - p_S1D) * p_S1H
183  m_P["S1", "S1"] <- (1 - p_S1D) * (1 - (p_S1H + p_S1S2))
184  m_P["S1", "S2"] <- (1 - p_S1D) * p_S1S2
185  m_P["S1", "D"] <- p_S1D
186  #* From S2
187  m_P["S2", "S2"] <- 1 - p_S2D
188  m_P["S2", "D"] <- p_S2D
189  #* From D
190  m_P["D", "D"] <- 1
191
```



## b. A different number of states

```
107 ▾ ##### Costs ----
108   c_H      <- 2000 # annual cost of being Healthy
109   c_S1     <- 4000 # annual cost of being Sick
110   c_S2     <- 15000 # annual cost of being Sicker
111   c_D      <- 0    # annual cost of being dead
112   c_trtA   <- 12000 # annual cost of receiving treatment A
113   c_trtB   <- 13000 # annual cost of receiving treatment B
114 ▾ ##### Utilities ----
115   u_H      <- 1    # annual utility of being Healthy
116   u_S1     <- 0.75 # annual utility of being Sick
117   u_S2     <- 0.5  # annual utility of being Sicker
118   u_D      <- 0    # annual utility of being dead
119   u_trtA   <- 0.95 # annual utility when receiving treatment A
```





## b. A different number of states

```
206 ▾ ### Check that transition probabilities are [0, 1] ----
207 check_transition_probability(m_P,      verbose = TRUE) # m_P >= 0 && m_P <= 1
208 check_transition_probability(m_P_strA, verbose = TRUE) # m_P_strA >= 0 && m_P_strA <= 1
209 check_transition_probability(m_P_strB, verbose = TRUE) # m_P_strB >= 0 && m_P_strB <= 1
210 check_transition_probability(m_P_strAB, verbose = TRUE) # m_P_strAB >= 0 && m_P_strAB <= 1
211 ▾ ### Check that all rows sum to 1 ----
212 check_sum_of_transition_array(m_P,      n_states = n_states, n_cycles = n_cycles, verbose = TRUE) # rowSums(m_P) == 1
213 check_sum_of_transition_array(m_P_strA, n_states = n_states, n_cycles = n_cycles, verbose = TRUE) # rowSums(m_P_strA) == 1
214 check_sum_of_transition_array(m_P_strB, n_states = n_states, n_cycles = n_cycles, verbose = TRUE) # rowSums(m_P_strB) == 1
215 check_sum_of_transition_array(m_P_strAB, n_states = n_states, n_cycles = n_cycles, verbose = TRUE) # rowSums(m_P_strAB) == 1
```





## c. A different discount rate

```
80 ▾ ### Discounting factors ----  
81   d_c <- 0.03 # annual discount rate for costs  
82   d_e <- 0.03 # annual discount rate for QALYs  
83
```

```
121 ▾ ### Discount weight for costs and effects ----  
122   v_dwc <- 1 / ((1 + (d_e * cycle_length)) ^ (0:n_cycles))  
123   v_dwe <- 1 / ((1 + (d_c * cycle_length)) ^ (0:n_cycles))
```



# d. A different treatment effectiveness measure (RR, OR, etc.)

Pharmacoeconomics (2020) 38:1153–1164  
<https://doi.org/10.1007/s40273-020-00937-z>

## PRACTICAL APPLICATION



### Estimating Transition Probabilities from Published Evidence: A Tutorial for Decision Modelers

Risha Gidwani<sup>1,2,3</sup> · Louise B. Russell<sup>4,5</sup>

Guidance for Model Transition Probabilities 1155

**Table 1** Common forms of published data and their definitions

Statistic	Evaluates	Range
Probability/risk	$\frac{\text{\#of events that occurred in a time period}}{\text{\#of people followed for that time period}}$	0–1
Rate	$\frac{\text{\#of events that occurred in a time period}}{\text{Total time period experienced by all subjects followed}}$	0 to $\infty$
Relative risk	$\frac{\text{Probability of outcome in exposed}}{\text{Probability of outcome in unexposed}}$	0 to $\infty$
Odds	$\frac{\text{Probability of outcome}}{1 - \text{Probability of outcome}}$	0 to $\infty$
Odds ratio	$\frac{\text{Odds of outcome in exposed}}{\text{Odds of outcome in unexposed}}$	0 to $\infty$

### 5 Converting Probabilities to the Model's Cycle Length

Once the evidence is in the form of probabilities, it may need to be converted to the model's cycle length. For example, a trial may report outcomes at 2 years' follow-up, while the model has an annual cycle length. For a model node with only two branches, that is, two possible state transitions, the relationship between probabilities and rates provides a simple way to derive probabilities that match the model's cycle length. Recall that a probability is the number of events in a time period divided by the total number of people followed for that time period, and ranges from 0 to 1.0. A rate is the number of events divided by the total time at risk experienced by all people followed, and ranges from 0 to infinity. Thus, probabilities and rates for the same event are differentiated by their denominators: the calculation of a rate takes into account the time spent at risk, while the calculation of a probability does not [26]. See Appendix for a detailed example and the assumptions involved in the formula.



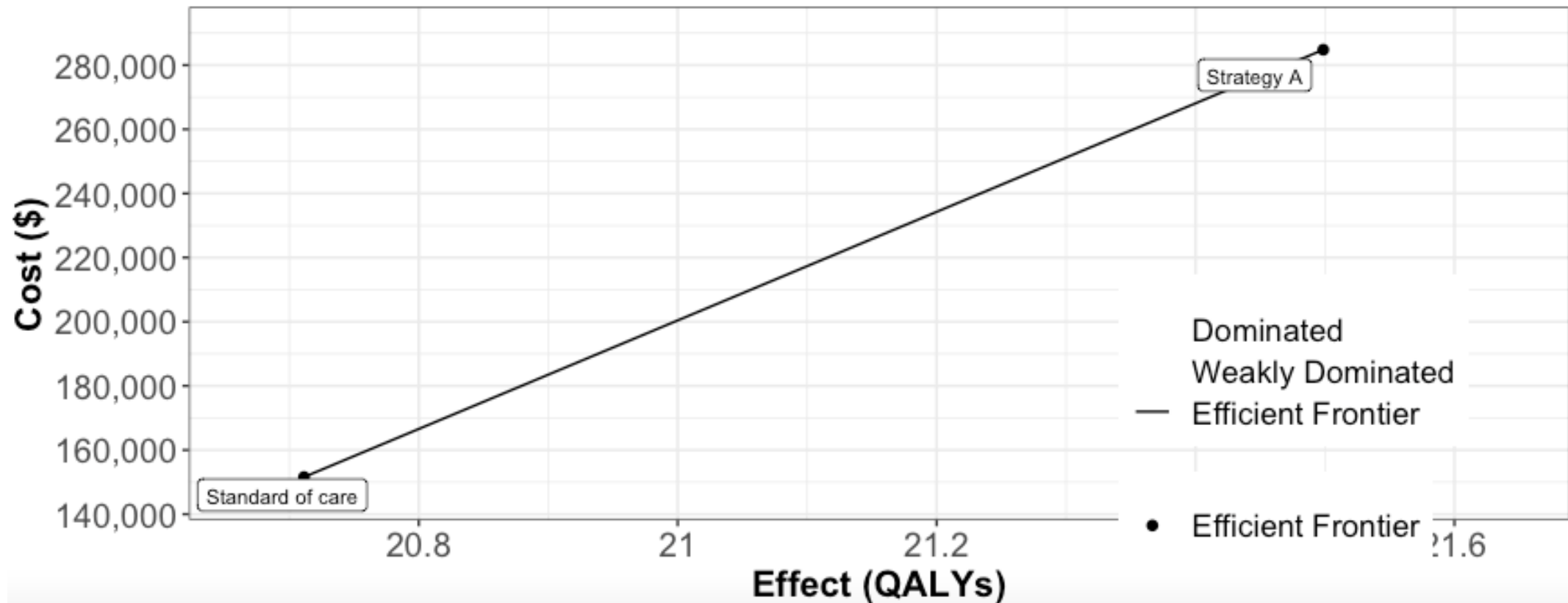
## e. Just two strategies: new treatment vs. standard of care (rare diseases)

```
84 ▾ ### Strategies ----  
85 v_names_str <- c("Standard of care",      # store the strategy names  
86                 "Strategy A",  
87                 "Strategy B",  
88                 "Strategy AB")  
89 n_str      <- length(v_names_str)        # number of strategies  
90
```

```
154 ▾ ### Initialize cohort trace for strategies A, B, and AB ----  
155  ## Structure and initial states are the same as for SoC  
156 m_M_strA <- m_M # Strategy A  
157 m_M_strB m_M # Strategy B  
158 m_M_strAB m_M # Strategy AB
```



## e. Just two strategies: new treatment vs. standard of care (rare diseases)



## f. A different initial state vector

```
139 ▾ ## Initial state vector ----  
140  ## All starting healthy  
141  v_m_init <- c(H = 1, S1 = 0, S2 = 0, D = 0) # initial state vector  
142  v_m_init  
143
```

	H	S1	S2	D
0	1	0	0	0
1	NA	NA	NA	NA
2	NA	NA	NA	NA
3	NA	NA	NA	NA
4	NA	NA	NA	NA
5	NA	NA	NA	NA
6	NA	NA	NA	NA
7	NA	NA	NA	NA
8	NA	NA	NA	NA
9	NA	NA	NA	NA
10	NA	NA	NA	NA
11	NA	NA	NA	NA



## f. A different initial state vector

```
139 ▾ ## Initial state vector ----  
140  ## All starting healthy  
141  v_m_init <- c(H = 0.7, S1 = 0.2, S2 = 0.1, D = 0) # initial state vector  
142  v_m_init  
143
```

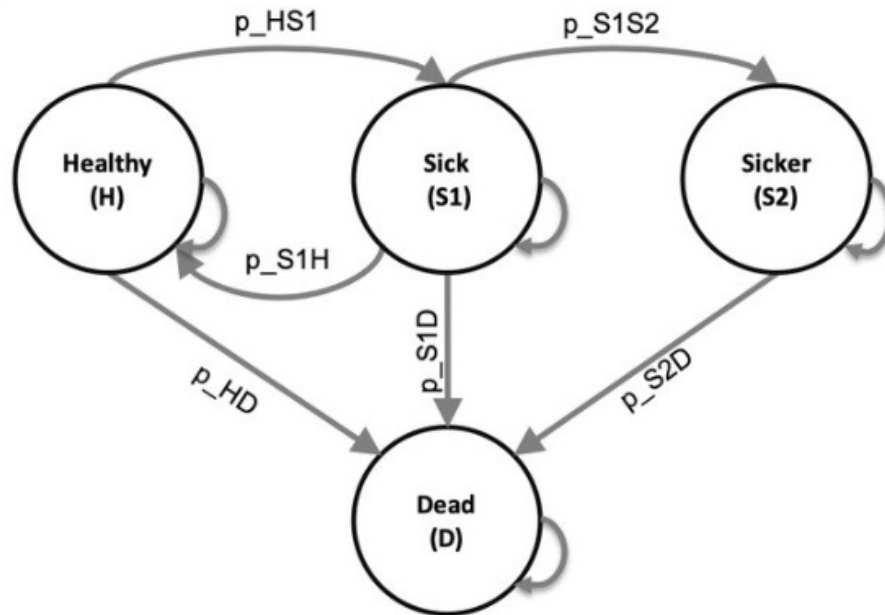
	H	S1	S2	D
0	0.7	0.2	0.1	0
1	NA	NA	NA	NA
2	NA	NA	NA	NA
3	NA	NA	NA	NA
4	NA	NA	NA	NA
5	NA	NA	NA	NA
6	NA	NA	NA	NA





# Final exercise

- Add to the original "Sick-Sicker" model a new state: the "Sickest (S3)" state.



Figure

Caption

Figure 1: State-transition diagram of the Sick-Sicker cohort state-transition model. The circles represent the health states, and the arrows represent the possible transition probabilities. The labels next to the arrows represent the variable names for these transitions.

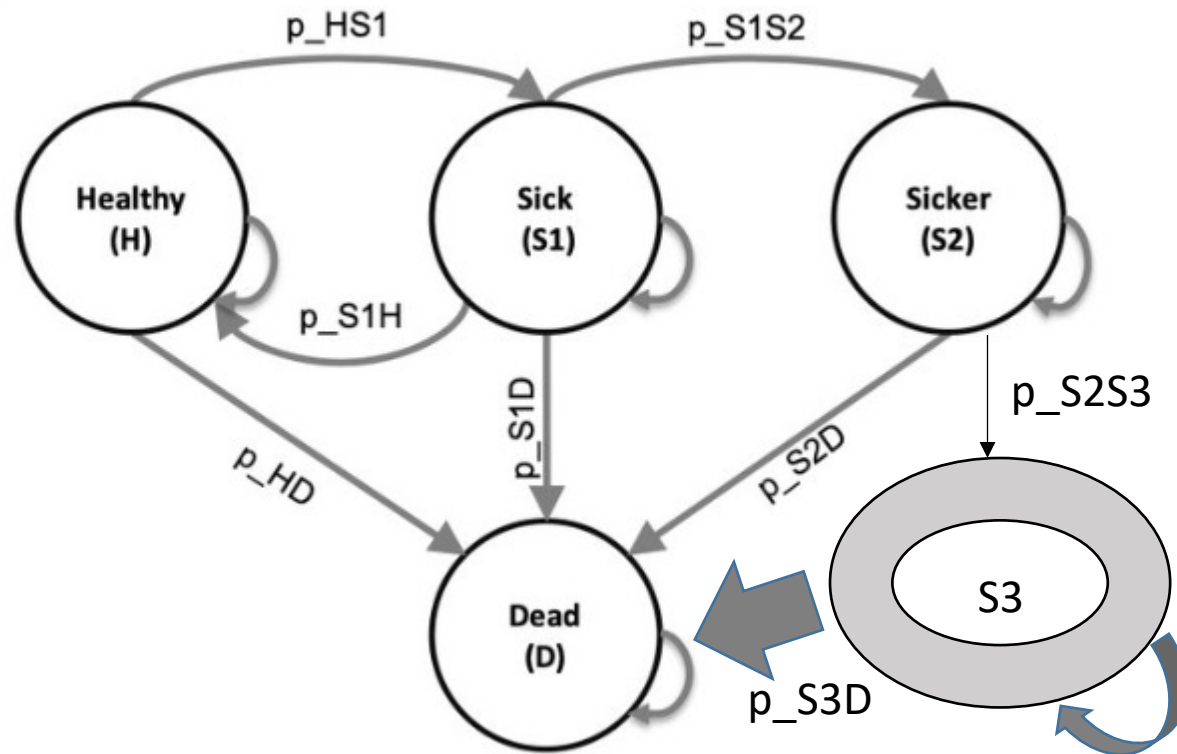
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# Final exercise



Figure

Caption

Figure 1: State-transition diagram of the Sick-Sicker cohort state-transition model. The circles represent the health states, and the arrows represent the possible transition probabilities. The labels next to the arrows represent the variable names for these transitions.

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# Final exercise

- Annual cost of being “Sickest (S3)” = 20000
- Annual utility value of being “Sickest (S3)” = 0.4
- Annual probability (from S2 to S3) = 0.05
- Annual probability (from S3 to Death) = 0.03

Note: we will assume that Treatment A and Treatment B won't be given to patients during the "Sickest (S3)" state



# THANKS



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