

Outcome:

Is defined as a consequence, and is defined in 3 ways.

1. Economic outcome
2. Clinical outcome
3. Humanistic outcome

Outcome Research (OR): ***

- Is the study of healthcare interventions (treatment modalities such as drug therapies, surgery and palliative therapy), care delivery processes and healthcare quality that are evaluated to measure the extent to which optimal and desirable outcomes can be reached.
- Normally, the purpose of OR is to assess the value of a program or therapy in question.

Examples of outcomes measures:

- Economic outcomes include acquisition costs associated with care, labor costs associated with care, costs to treat adverse drug reactions, costs of

treatment failure, costs of hospital readmission, and costs of emergency room and clinic visits.

- Clinical outcomes include length of hospital stay, adverse drug reactions, hospital readmission and death.

- Humanistic outcomes include patient satisfaction, functional status as measured by a validated instrument and quality of life assessment.

Cost:

is the value of resources consumed by a drug therapy or program.

Consequence:

- Is the effects, output or outcome of a drug therapy or a program.

- When we compare cost and consequence we are doing the pharmacoeconomic evaluation.

- Consequence can be measured by +ve and -ve function.

+ve effect: desired outcome (efficacy of treatment)

• -ve effect: treatment failure, ADR, Toxicity

□ Cost:

Definition:

1. Total cost: All expenses that are directly and indirectly necessary to provide a product or service.

2. Average cost:

The average cost per unit output (total cost divided by quantity)

3. Fixed cost: costs that do not vary with quantity of output for short-run production (eg. rent, fixed salary, administrative cost)

4. Variable cost: Costs that vary with the level of output (eg. wages, supplies)

5. Marginal cost: the extra cost of producing one extra unit of output.

6. Incremental cost:

Additional cost when comparing one alternative to another (eg: extra care like extra nurse, extra room).

7. Direct cost:

Costs directly related to producing/providing a specific quantity of services or output (eg: salary, drug cost and supply cost for the provision of pharmacy services)

8. Indirect cost: Costs that are allocated to the areas that produce/provide a specific quantity of services or output (eg: overhead cost)

9. Opportunity cost:

The cost of benefit of pursuing an alternative course of action (eg: back, heart surgery)

Cost and Charge:

1. The meaning of the term cost depends on the

perspective for the analysis.

The following examples show differing perspectives:
Providers may include hospitals, physician offices or ambulatory surgery centers and the term cost means the total costs for providing the specific services.

Direct Medical cost:

- Medical purpose only and fees for doctor
- for lab data
- for treating disease
- To prevent, detect and treat a disease
- Divide

1. Fixed : rent/hospital/electricity

2. Variable : professional services/medication.

Direct Non-medical cost:

- Which do not involving a direct purchasing for hospital for hospital transportation especially diet/cost by the family.

Indirect Non-Medical Cost:

• These are results from morbidity and mortality which leads to result of reduced protectivity
eg: patient sick