

Table 1: Definitions of Commonly Used Terms in Cost-Effectiveness Analyses

Term	Definition
HRQOL	<p>Health-Related Quality-of-Life</p> <p>HRQL, or “utility,” is quantified as a value ranging from 1.00 (perfect health) to 0.00 (death). This “utility” is multiplied by the number of years in a particular health state to get the QALYs.</p>
QALY	<p>Quality-Adjusted Life Year</p> <p>A QALY incorporates both quality (morbidity) and length of life (mortality) with one QALY representing one year in perfect health. The HRQL or “utility” is multiplied by the number of years in a particular health state to get the QALYs.</p>
Markov model	<p>A mathematical model describing various health states and how patients transition through these health states over time. The word “Markov” means that the model has the “Markov property”. The “Markov property” implies that the likelihood of transitioning to the next health state only depends on the current health state, and not on health states prior to that. For example, in this paper the “Markov property” implies that once a person has a cerebrovascular accident (CVA), their future transitions (future mortality) is only affected by the fact that they are in the CVA health state, and NOT affected by their vision history prior to the CVA.</p> <p>Markov modeling is a standard method used in general health technology assessments and also has been used in previous cost-effectiveness analyses for neovascular age-related macular degeneration.</p>
Cost Effectiveness	<p>Cost-Effectiveness analysis is a method of health economic evaluation that measures costs and health outcomes from competing interventions in order to help make resource allocation decisions that can maximize health outcomes for a given budget.</p>
ICER	<p>Incremental Cost-Effectiveness Ratio.</p> <p>The ICER is a measure of value or trade-offs between different interventions. If intervention a has higher costs and higher health outcomes than intervention b then interventions a is compared to b using an ICER. The ICER is a ratio with the incremental costs of a versus b divided by the incremental benefits provided by a over b. The ICER is defined as: $ICER = (TCa - TCb) / (Ea - Eb)$ Where TC is the total cost and E is effectiveness measured in QALYs</p>

For additional detail about these terms and about cost-effectiveness analyses, please see reference 29.