Contents

Abbreviations xi
Preface xiii
Acknowledgments xvii
Authors xix

1. Introduction 1
1.1 HTA Context 6
1.2 What Is Discrete Event Simulation? 8
1.3 How Does DES Compare to Other Techniques Commonly Used in HTA? 10
1.4 When Is Discrete Event Simulation Useful? 15
1.5 Acceptance of Discrete Event Simulation 17
1.5.1 Stochastic Behavior 18
1.5.2 Data Needs 19
1.5.3 Execution Speed 19
1.5.4 Law of the Instrument 20
1.5.5 Transparency 21

2. Central Concepts 23
2.1 Events 23
2.1.1 Types of Events 25
2.1.2 Event Consequences 28
2.2 Event Occurrence 29
2.2.1 Time-to-Event Approach 30
2.2.2 Periodic Checking 32
2.2.3 Event Ordering 35
2.3 Entities 35
2.3.1 Why Individuals? 35
2.3.2 Types of Entities 38
2.3.3 Creation and Removal of Entities 40
2.4 Attributes 41
2.4.1 Attribute Values 42
2.4.2 Types of Attributes 44
2.4.3 What Information Should Be Stored as an Attribute? 47
2.4.4 Memory 49
2.5 Time 49
2.6 Resources and Queues 52
2.7 Global Information 56

2.8 Distributions 59
2.8.1 Specifying a Distribution 59
2.8.2 Commonly Used Distributions 62
2.9 Using Influence Diagrams 63

3. Implementation 65
3.1 Control Logic 66
3.1.1 Branching 67
3.2 Using Distributions 69
3.2.1 Selecting a Distribution 70
3.2.2 Incorporating the Distribution 71
3.2.3 Selecting Values from a Distribution 74
3.2.3.1 Assigning Sociodemographic Characteristics and Disease Status 79
3.2.3.2 Sampling Time to an Event 81
3.3 Event Handling 82
3.3.1 Event Calendar 84
3.3.2 Entity-Level Event Lists 86
3.4 Specifying Events 88
3.4.1 Use of Submodels 90
3.4.2 Monitoring and Treatment Change Events 91
3.4.3 Specialized Modeling Events 91
3.4.3.1 Events to Assign Values 91
3.4.3.2 Events to Prompt Input and Output 94
3.4.3.3 Events to End the Simulation 94
3.4.4 Event Sequences 95
3.4.5 Composite Events 97
3.4.6 Duration of Events 97
3.5 Creating the Population 101
3.5.1 Dynamic Creation 102
3.5.2 Using Super-Entities 103
3.5.3 Creating Other Entity Types 104
3.5.4 Agents 105
3.6 Assigning Attributes 106
3.6.1 Using Summary Characteristics 106
3.6.2 Using Real People 108
3.6.3 Duplication of Entities 110
3.6.4 Updating Values and Retaining History 111
3.6.5 Handling Quality of Life 112
3.6.6 Other Values 113
3.7 Handling Time 113
3.7.1 Advancing the Clock Using Time-to-Event 114
3.7.2 Advancing the Clock in Fixed Steps 117

3.7.3 Recording Times 118
3.7.4 Matching Actual Time 119
3.7.5 Delaying Time Zero 119
3.8 Applying Intervention Effects 120
3.8.1 Effects on Event Times 123
3.8.1.1 Using Kaplan–Meier Curves 123
3.8.1.2 Using Summary Measures 124
3.8.1.3 Dealing with Composite Outcomes 126
3.8.2 Changes in a Level 126
3.8.3 Unintended Effects 127
3.9 Recording Information 127
3.9.1 What to Record 127
3.9.2 How to Record 128
3.9.3 Discounting 130
3.10 Reflecting Resource Use 131
3.10.1 Implicit Handling Using Cost Accumulators 131
3.10.2 Explicit Representation 131
3.10.2.1 Capacity 133
3.10.2.2 Scheduling 134
3.10.2.3 Utilization 134
3.10.2.4 Queues 134

4. A Simple Example 137
4.1 Design 138
4.1.1 Problem 138
4.1.2 Influence Diagram 139
4.1.3 Model Technique 140
4.1.4 Flow Diagram 141
4.2 Obtaining the Inputs 143
4.2.1 Patient Characteristics, Costs, and Quality of Life 143
4.2.2 Equations 145
4.3 Structuring the Model 150
4.3.1 Creating the Entities 150
4.3.2 Assigning Initial Attribute Values 151
4.3.3 Assigning Recurrence Event Time 154
4.3.3.1 For Standard of Care 155
4.3.3.2 Applying the Treatment Effect 158
4.3.4 Accruing Values Until Recurrence 162
4.3.5 Updating Attribute Values 166
4.3.6 Assigning the Time of Death 171
4.3.7 Accruals at the Second Event 174
4.4 Obtaining Results 177

5. Analyses 181
5.1 Base Case 182
5.1.1 Dealing with Chance (Stochastic Uncertainty) 182
5.1.2 Reflecting Uncertainty in Parameter Inputs 185
5.1.2.1 Deterministic Uncertainty Analyses 186
5.1.2.2 Probabilistic Uncertainty Analyses 187
5.1.3 Structural Uncertainty Analyses 190
5.2 Exploring Sensitivity to Input Values 193
5.2.1 Subgroups 194
5.2.2 Other Sensitivities of Interest 194
5.2.3 Threshold Values 195

6. Formulating the Required Equations 197
6.1 Requirements for the Equations 197
6.2 Selecting Data Sources 199
6.2.1 Interventional Data Sources 200
6.2.2 Observational Data Sources 201
6.2.2.1 Routinely Collected Data 201
6.2.2.2 Prospectively Collected Data 202
6.2.3 Considerations When Using Multiple Sources of Data 203
6.3 Taxonomy of Equation Types Commonly Used in DES 204
6.3.1 GLM-Based Equations 208
6.3.1.1 Continuous Response Variables 208
6.3.1.2 Categorical Data 210
6.3.1.3 Count Data 212
6.3.2 Handling Longitudinal Data 213
6.3.3 Time-to-Event Analyses 216
6.3.3.1 Deriving Equations 216
6.3.3.2 Incorporating Time-Dependent Predictors 220
6.4 Selection of Predictors 221
6.4.1 Role of Predictors in the Equation 222
6.4.2 Building the Equation 224
6.5 Validation of the Final Equation 225
6.6 Combining Inputs and Equations from Different Sources 226
6.6.1 Incorporating External Data on Intervention Effects 227
6.6.1.1 Considerations with Comparative Data on External Treatments 228
6.6.1.2 Considerations for Non-Comparative Data on Treatment Effects 231
6.6.2 Joining Time-to-Event Distributions and Predictive Equations 232

7. Efficiency and Variance Reduction 235
7.1 Reducing Unwanted Variance 236
7.1.1 Duplicating Entities 236
7.1.2 Duplication of Pathways 240
7.1.3 Synchronizing Entities 243
7.2 Other Efficiency Improvements 244
7.2.1 Time-to-Event Approach Instead of Periodic Checking 246
7.2.2 Simultaneous Inclusion of Entities 246
7.2.3 Using Super Entities 248
7.3 Settings Affecting Model Execution 251
7.3.1 Animation Settings 251
7.3.2 Speed-Destroying Leftovers 252

8. Validation 253
8.1 Face Validity 254
8.1.1 Problem Specification and Model Conceptualization 256
8.1.2 Is the Choice to Use DES Justified? 257
8.1.3 Is the Specification of Events Adequate? 259
8.1.4 How Will Time Be Advanced? 260
8.1.5 What Entities Will Be Simulated? 260
8.1.6 What Attributes Will Be Modeled? 261
8.2 Verification 262
8.2.1 Model Logic and Implementation 263
8.2.2 Equations 265
8.2.3 Code 265
8.3 External Validation 266
8.3.1 Dependent Validation 266
8.3.2 Independent Validation 268
8.3.3 Predictive Validation 270

9. Special Topics 273
9.1 Documentation 273
9.1.1 Design Stage 274
9.1.2 Input Data Stage 276
9.1.3 Implementation Stage 277
9.1.4 Analysis Stage 281
9.1.5 Validation 281
9.1.6 Reports 282
9.1.6.1 Non-Technical Documentation 282
9.1.6.2 Technical Report 283

9.2 Animation 283
9.2.1 Purpose of Animation 283
9.2.2 Difficulties with Animation 286
9.2.3 Components 286
9.2.4 How to Animate 289
9.3 Software 292
9.3.1 DES Software History 292
9.3.2 DES Software Future 294
9.3.3 Specialized for DES 295
9.3.4 General Programming Languages 296
9.3.5 Spreadsheets 299
9.3.6 Spreadsheets Plus 300
9.3.6.1 Visual Basic for Applications 300
9.3.6.2 Monte-Carlo-Simulation Extensions 300
9.3.7 TreeAge 301
9.3.8 R 302
9.4 Agent-Based Models 303
9.5 Hybrid Models 306
9.5.1 With Continuous Simulation 307
9.5.2 With State-Transition Models 308
9.5.3 With System Dynamic Models 309
9.5.4 With Decision Trees 309

10. Case Study: Breast Cancer Surveillance 311
10.1 Background 311
10.2 Why DES? 313
10.3 Design 314
10.3.1 Population 315
10.3.2 Structure 315
10.3.3 Interventions 317
10.4 Data Sources 317
10.5 Implementation 319
10.6 Analyses 320
10.7 Results 322
10.8 Comments 323

References 325

Index 343