**Introduction**

The following table gives the cost, increase in life years, and the rating of quality of life for four different treatments.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Treatment** | **Cost** | **Increase in Life Years** | **Rating of Quality of Life** | **QALY** | **Cost:QALY** |
| A | 4,600 | 16 | 0.16 |  |  |
| B | 8,600 | 18 | 0.22 |  |  |
| C | 12,600 | 22 | 0.28 |  |  |
| D | 10,000 | 20 | 0.25 |  |  |

**Instructions**

1. Calculate the QALY for each treatment.
2. Interpret the QALY calculated for each treatment.
3. Calculate the Cost:QALY ratio for each treatment.
4. Interpret each ratio.
5. Based on QALY only, which treatment would be most effective?
6. Based on Cost:QALY, which treatment would be most effective?