**Homework**

There are three 3-month-long options to treat studentitis, a depression-like condition in which a student thinks he or she will be in college forever with no option for parole. Results (effectiveness) cannot be determined until students have been exposed to the treatments for a period of 3 months. Option I is the standard option, which consists of group counseling. Option II consists of a new studentitis medication that has no side effects. Option III consists of a combination of the new medication and group counseling.

 The costs of the standard option, Option I (counseling), are $100 per month. This treatment alone is measured to be effective in 40% of the cases.

 The costs of Option II (medication) are $50 per month for the medication. This treatment alone is measured to be effective in 60% of the cases.

 The costs of Option III (counseling and medication) are the combined costs of Options I and II. The effectiveness of this combination treatment is measured to be 90%.

 Each option includes 3 months of therapy for these 3 months:

1. Calculate a CER for:

1. Option I
2. Option II
3. Option III

2. Calculate an ICER comparing Option I (the standard) with Option II.

3. Calculate an ICER comparing Option I (the standard) with Option III.

4. Place a “II” in the cell that represents comparing Option II with the standard

(Option I). Also, draw cost-effectiveness plane.



5. Place a “III” in the cell that represents comparing Option III with the standard

(Option I). Also, draw cost-effectiveness plane.

