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VA HEALTH ECONOMICS BULLETIN

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HERC Cyber Seminars on Efficiency

In early 2011, HERC introduced cyber seminars around a theme of health care efficiency. This seminar series is intended to enhance our understanding of and research on efficiency. The seminars are held on the third Wednesday of each month (with the exception of June). Each session begins at 11 a.m. Pacific or 2 p.m. Eastern time and lasts an hour. To sign up for individual lectures, please visit: http://www.hsrcd.research.va.gov/for_researchers/cyber_seminars/catalog.cfm. The schedule of upcoming cyber seminars and courses, and information on the archives, are available on our website: <http://www.herc.research.va.gov>.

Past seminars

Overview of Health Care Efficiency Research

Date: February 23rd

Dr. Paul Barnett kicked off the efficiency series with an overview of health care efficiency. The seminar included methods of measuring efficiency and new applications for efficiency measures.

Variations in Costs in the Veterans Healthcare System Using SFA: Relationship to Quality

Date: March 16th

Dr. Peter Almenoff provided an overview of how his group is using stochastic frontier analysis to document variations in efficiency in the Veterans Health Administration (VHA), which is documented at <http://www.hospitalcompare.va.gov/>. This lecture reviewed the observed variations within VHA on both the macro and micro level as well as the relationship of efficiency to quality within VHA.

Efficiency in Health Care: Does Anyone Know What it is?

Date: April 20th

Audiences of this cyber seminar were challenged by Dr. Jim Burgess to find peace among discrepant definitions of health care efficiency and think about alternative ways to move research forward. He paid particular attention to the multidimensional aspect of efficiency and how efficiency relates to quality.

Upcoming seminars

Efficiency Differences Between Critical Access Hospitals and Non-Converting Rural Hospital

Date: May 18th

This presentation will compare the efficiency of Critical Access Hospitals (CAHs) with prospectively paid rural hospitals. Dr. Ryan Mutter uses stochastic frontier analysis (SFA), a technique that generates firm-level estimates of inefficiency, to examine firm level efficiency.

Is Physician Organization Related to Efficiency and Patient Outcomes?

Date: June 8th

Small area variation in physician practice has confounded researchers for over four decades. In this project, Dr. Todd Wagner analyzes a natural experiment to gain insights into how physicians influence small area variation.

Overview of New Updates on the HERC Website

FY10 tabulations of VA utilization updated

The annual tabulations of VA utilization have been updated with FY10 data and are now available on the HERC intranet site. One spreadsheet identifies how many inpatient days occur within each bedsection, a two digit code that indicates the type of care. Another spreadsheet provides the national tally of the annual number of visits to each primary clinic stop. These spreadsheets provide information for every year since 1993. The tabulations can be found on the HERC intranet site.

FAQ F11. When are the annual HERC datasets available at the Austin mainframe each year?

HERC has posted a new FAQ listing the various files that HERC creates on an annual basis and the schedule of when they are expected to be uploaded to the Austin mainframe each year. The FAQ can be found at http://www.herc.research.va.gov/resources/faq_f11.asp. Detailed information on each of these datasets can be found on the HERC Guidebooks web page at <http://www.herc.research.va.gov/publications/guidebooks.asp>.

FAQ G13. What do negative costs in DSS pharmacy data mean?

Analysts using the DSS pharmacy data will often find records with negative balances. HERC has posted a new FAQ page to address this question, “What do negative costs in DSS pharmacy data mean?” Expert members of the HSR&D listserv have been extremely helpful in explaining why this occurs by providing various examples, including returns to stock. Researchers can now find these examples on our new FAQ page at http://www.herc.research.va.gov/resources/faq_g13.asp. Negative values in the DSS pharmacy data are valid and we recommend including them in your analysis. Failure to do so may result in an overestimate of the actual pharmacy cost.

2 *FAQs for researchers on how to access and utilize VHA data*

HERC has created two new FAQs for researchers who are new users of VA data systems.

FAQ I9, “How do I use social security numbers to identify study participants in VHA data?”, provides researchers with information on how to gain access to VHA datasets. Data from VHA datasets may be accessed only by VA employees who have appropriate permission. On this page, researchers can find links to helpful resources created by the VA Information Resource Center (VIREC) including documentation of VHA databases at Austin and a new user’s toolkit, with information on how to request access data. The FAQ is available at http://www.herc.research.va.gov/resources/faq_i09.asp.

FAQ I10, “How do I access utilization and cost data needed for VHA research?”, explains how researchers can obtain permission to access data that includes Social Security Numbers (SSNs). VHA uses the patient SSN as the medical record number. In order to protect patient privacy and maintain the security of medical records, research use of SSNs is highly regulated. The FAQ can be found at http://www.herc.research.va.gov/resources/faq_i10.asp.

Resources on VA health care provider data

Information about the health care provider is important to many health services and health economic studies, including research health system efficiency. HERC has created new resources to help researchers locate information about health care providers.

A new FAQ describes various VA datasets that can be used to identify health care providers. These include files with outpatient visits, inpatient encounters, primary care team assignments, hospital discharges, prescription fills, and laboratory and radiology orders. FAQ I11, “How can health providers be identified in VA cost and utilization data?”, can be found at http://www.herc.research.va.gov/resources/faq_i11.asp.

HERC will soon publish a guidebook that provides an overview of provider-related variables in VA datasets, and the relationships between them. This guidebook will be useful for health services researchers who use cost and utilize data to study efficiency and outcomes, who are often interested in identifying the provider of a service. If you would like to nominate yourself or someone else to be a peer-reviewer of the draft version of this guidebook, please contact HERC at herc@va.gov.

Researchers at the Health Economics Resource Center have been involved in a number of clinical trials where there is an interest in understanding how the intervention affects veterans' use of care, including non-VA care. They have developed a standard set of questions on self-reported non-VA utilization, which are now available at http://www.herc.research.va.gov/resources/faq_k09.asp. These questions are often tailored or augmented for a particular study.

It is important to keep in mind that self-report involves cognitively complex question. The patient is being asked to go back in time to remember

HERC Creates Tool for Measuring Self-Reported Non-VA Utilization

events. The accuracy of the recall can be confounded if the events occurred a long time ago or if the patient used a lot of care. There is also inherent tension between asking precise questions and making the questions more cognitively complex to the point where the respondent is confused and the data are less accurate. For example, a visit to the emergency department

(ED) where the patient stayed in the hospital overnight is unambiguously an ED visit but it is unclear whether it was also an inpatient stay. Adding qualifiers, such as "admitted to the hospital," may add precision at the risk of reducing accuracy.

HERC would appreciate feedback on ways to improve these questions. Researchers might also be interested in the 2006 literature synthesis on the accuracy of self report by Aman Bhandari and Todd Wagner. (Bhandari A, Wagner T. Self-reported utilization of health care services: improving measurement and accuracy. *Med Care Res Rev* 2006;63:217-35.)

Rebuilding of Outpatient Average Cost File for FY05

Changes to the VA outpatient visits data from FY 2005 made it impossible to combine this file with the HERC outpatient average cost file. HERC rebuilt and uploaded its cost dataset to the Austin mainframe in February 2011. It is located at RMTPRD.HERC.SAS.OPCSE05R. Note the "R" at the end of the filename, which represents a revised version. This new file has 76,070,883 records and should be merged with MDPPRD.MDP.SAS.REVISED.SE05(0). The revised HERC average cost and SE files no longer have duplicate encounter identifiers. Therefore, please follow the FY 2006 instructions in Chapter 5 of the current companion guidebook for linking the two files. This guidebook can be found on the HERC intranet site. Detailed information regarding the rebuilt FY 2005 dataset will be available in the next update to the guidebook, which should be posted by July 2011. In the meantime, questions can be addressed to Jennifer Scott at Jennifer.Scott3@va.gov or Ciaran Phibbs at Ciaran.Phibbs@va.gov.

DSS Hospital Cost Dataset Released by HERC

HERC has released its discharge-level dataset of DSS costs from hospital stays that ended in the 2010 federal fiscal year. This dataset provides subtotals of costs and days of stays in different types of hospital care, distinguishing medical, psychiatric, substance abuse, long-term care, and other hospital services. For information on access to this file, please contact HERC at herc@va.gov. The companion guidebook to the HERC Discharge file, called "HERC's DSS Discharge Dataset with Subtotals for Inpatient Categories of Care, Fiscal Year 2010", has also been updated and can be found on the HERC intranet site.

Recap of HSR&D National Meeting

At the HSR&D National Meeting this past February, Dr. Jean Yoon presented research on the prevalence and costs of chronic conditions between 2000 and 2008. She reported that the mean annual VA spending (adjusted for inflation) rose by more than \$1,100 per patient between 2000 and 2008. There was increased spending on many mental health and substance abuse disorders and lower spending for diabetes and heart disease. During the same session, Dr. Wagner presented economic data on the cost-effectiveness of robot-assisted rehabilitation. Papers based on these presentations have been submitted for publication.

Quarterly Economics Calls for QUERI Economics Researchers

HERC hosts quarterly economics calls for QUERI economics researchers. During these calls, QUERI researchers are invited to present their research in progress, raise any questions they have about economic methods or data, and discuss published papers. Previous call topics have included:

“Cost-Effectiveness of Cell Phone-based Interventions”
by Matthew Maciejewski, Ph.D.

“Using System Dynamics Methodology in QUERI Strategic Planning Efforts” by Kristen Hassmiller Lich, Ph.D.

“Is Statistical Significance Required for Cost-effectiveness Analysis?” by Jeffrey Pyne, M.D.

“Assessing Programmatic Change: A case study of the VA Central IRB” by Todd H. Wagner, Ph.D.

“Role of Economics in QUERI”
by Paul G. Barnett, Ph.D.

If you are interested in presenting on an economic study or wish to be notified of future calls, please contact Nicole Flores at Nicole.Flores@va.gov.

HERC Names New Associate Director

HERC is pleased to announce Todd Wagner as its new Associate Director. Dr. Wagner is currently a health economist at HERC, and is also affiliated with the Center for Health Care Evaluation and the Cooperative Studies Program Coordinating Center. Dr. Wagner also has affiliations with Stanford University, where he is a consulting associate professor in the Department of Health Research and Policy and a fellow of the Center for Primary Care and Outcomes Research & Center for Health Policy (CHP/PCOR). His research focuses on cost-effectiveness analysis, and he is particularly interested in assessing the value of behavioral interventions. Dr. Wagner is also interested in the economics of consumer health information and institutional review boards, and has developed collaborative projects with MyHealthVet and the VA Central IRB.

Dr. Wagner joined HERC in 1999. He received his Ph.D. in Health Economics from the Health Services and Policy Analysis Program at the University of California, Berkeley. Wagner succeeds Mark Smith, who served as Associate Director of HERC from 2003-2011. Smith will be assuming a new position with the consulting firm Thomson Reuters.

Upcoming HERC Cyber-seminars and course

Cyber-seminars

May 18, 2011 – Ryan Mutter, Ph.D.

Efficiency Differences Between Critical Access Hospitals and Non-Converting Rural Hospitals

June 8, 2011 – Todd Wagner, Ph.D.

Is Physician Organization Related to Efficiency and Patient Outcomes?

“Conducting Cost-Effectiveness Analyses with VA Data” Course

This course is primarily designed for VA researchers who wish to learn more about cost-effectiveness analyses. The course is scheduled to begin in fall, 2011.

The schedule of upcoming cyber-seminars and courses, and information on the archives, are available on our website:

<http://www.herc.research.va.gov>.

To register for these seminars and courses, visit

http://www.hsrc.research.va.gov/for_researchers/cyber_seminars/catalog.cfm