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VA HEALTH ECONOMICS BULLETIN

Guidebook for Research Use of PAID Data

HERC will soon release a Guidebook for Research Use of PAID Data. PAID is an acronym for the Personnel and Accounting Integrated Data System. The system combines human resources, payroll, and accounting data to create an electronic personnel record for all VA employees.

PAID data are arranged in two datasets, the Master File and the History File. The Master File contains education history, union membership, veteran's preference, and other personnel information. There is one Master File dataset for each month. The History File contains payroll information such as hours worked, annual leave group, gross salary, annual and sick leave balances, and night differential payments. There is a separate History File dataset for each of the twenty-six pay periods during the fiscal year. Both the Master and History Files are stored as SAS datasets at the Austin Information Technology Center.

The Guidebook features information on each variable in the Master and History Files. Contents include the SAS variable label, definition, type (numeric or character) and length, all known values and their meanings, and variable coding. There are also remarks that draw on researchers' experiences in using the variable.

PAID data may be useful for research on VA employees. For example, HERC investigator Ciaran Phibbs and colleagues used PAID data in a study investigating the relationship between nurse staffing characteristics and patient outcomes.

The Guidebook for Research Use of PAID Data will be posted on the HERC intranet web site. To locate it, go to the Publications section and then choose Guidebooks. Questions may be addressed to the lead author, Andrea Shane, at herc@va.gov.

Upcoming HERC Cyber-seminar

May 20, 2009 2 PM EDT / 11 AM PDT
Steven Pizer, Ph.D., VA Boston Health Care System

The schedule for upcoming cyberseminars along with information on the archives is available on our website: www.herc.research.va.gov

To be notified of upcoming seminars and learn how to register, write to
cyberseminars@va.gov

Sharing Agreements: An Important VA Resource

HERC has developed a new Frequently Asked Question response on sharing agreements. VA medical centers may contract for clinical and related services with affiliated medical schools, faculty groups, hospitals, and other providers. These contracts, also called sharing agreements, are developed under several circumstances: when a clinical service cannot be provided by one VA facility and the patient cannot be transferred to another VA facility; when VA cannot recruit a needed clinician or needs only part-time services; in order to reach market-rate pay for certain highly paid subspecialists; and when it is cost-effective to share a service or space with another entity.

Sharing agreements represent an alternative to the Fee Basis program. Fee Basis care is provided on a fee-for-service system and is subject to several coverage and payment limitations. Sharing agreements are longer-term contracts with non-VA providers to offer selected types of care, usually to many patients. Unlike much Fee Basis care they do not center on an individual patient and are not subject to similar coverage limitations.

Sharing agreements vary considerably in scope and purpose. Most cover specialty services such as anesthesiology, cardiology, or radiology. A few concern non-clinical services such as space rental, animal care and use, or athletic facilities. A VA facility develops sharing agreements through a multistep analysis of patient need, medical center capability, costs, and alternative options. Services are valued based on local and regional market analyses. Payment can be based on full-time-equivalent (FTE) employment, on specific procedures, or on relative value units (RVUs). Payments may exceed Medicare rates in some cases.

About half of all VA medical centers have sharing agreements, typically 2-4 per year. The total estimated value of the contracts exceeded \$64,000,000 in FY2008. An annual tabulation of all contracts is maintained by the Medical Sharing branch of the Procurement and Logistics office (PLO) at VA central office. Some care arranged through sharing agreements should be reported in the Fee Basis files, and yet PLO staff report that some services are missed. Improvements to VISTA programming are expected to bring complete reporting within a few years. To find the FAQ response, visit the HERC web site and then choose Resources and then "FAQ."

Changes for FY2007 HERC Outpatient Cost Estimates

Each year HERC estimates the cost of every outpatient encounter in VA. There were two significant changes in the methods used to create the FY2007 cost estimates. The first change was made to avoid double-counting the facility payment portion of the total value for a procedure. Facility payment rates are calculated based on Medicare's Ambulatory Payment Classification (APC). Prior to FY2007 we used the bundled payment rate for CPT codes, which includes both professional and

technical components. In some cases this method caused double-counting of the facility payment portion of the estimated cost of a procedure. To avoid double-counting the facility payment, we now extract the professional component of the provider payment if the facility reimbursement was available based on the APC. If there was no facility reimbursement calculated for a particular procedure then the bundled payment rate was used.

In the second change we discounted cer-

tain provider reimbursements to avoid overpayment to physicians who perform multiple procedures on the same day. Medicare discounting rules vary by procedure type and by whether more than one type is reported on the same day. In FY2007 VA data there were 4,103 CPT codes eligible for discounting, approximately 2% of the total number of outpatient procedures. The difference in cost before and after discounting was found to be less than 1%, and so cost estimates from previous years that lacked discounting are still reliable.

Alex Cheng joined HERC as a Research Assistant in February of 2009. He earned an AB in Biological Sciences from Columbia, and has held multiple fellowships to pursue research in cardiology and surgery. He is an aspiring triathlete and a coach for the Palo Alto Stanford Aquatics Club national team.