



# VA HEALTH ECONOMICS BULLETIN

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## HERC Course on Cost-Effectiveness

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In early 2010 HERC will be teaching a course titled “Conducting Cost-Effectiveness Analyses with VA Data.” The course is primarily designed for VA researchers who wish to learn more about cost-effectiveness analyses. HERC and CIDER are currently working with EES to accredit the course so that nurses and physicians can request continuing medical education credits. There are no prerequisites. The course includes 10 classes, listed below. Each session starts at 2 p.m. Eastern time and lasts one hour. To sign up for individual lectures please visit: [http://www.hsrdr.research.va.gov/for\\_researchers/cyber\\_seminars/catalog.cfm](http://www.hsrdr.research.va.gov/for_researchers/cyber_seminars/catalog.cfm).

### 1. Elements of a Complete CEA

Date: January 6th

This class will provide an overview of cost-effectiveness analysis. Much of the class will focus on recommended practices, many of which emanated from the book entitled *Cost-Effectiveness in Health and Medicine*, by Gold and colleagues (1996).

### 2. Estimating the Cost of Intervention

Date: January 27th

Many research studies are testing the cost-effectiveness of a new intervention relative to an existing treatment. This class will review techniques for estimating the costs of new interventions.

### 3. Inpatient and Outpatient Costs From DSS

Date: Feb 10th

Cost-effectiveness analysis requires the enumeration of health care costs. Care for veterans who use the VA is recorded in the DSS datasets. This lecture will provide an overview of the inpatient and outpatient DSS datasets. We will also provide an overview of tools created by HERC to make it easier for researchers to use the DSS data.

### 4. Pharmacy Costs

Date: Feb 24th

Lecture #3 reviewed encounter-level inpatient and outpatient datasets in DSS. This lecture will focus on a separate, prescription-level pharmacy database within DSS and a similar database produced by the VA Pharmacy Benefits Management (PBM) group.

### 5. Estimating Non-VA Costs

Date: March 10th

Care for veterans who use the VA is recorded in the DSS datasets. However, many veterans use non-VA providers for some care. This lecture will provide an overview of techniques available to estimate costs related to non-VA utilization. We will review the Fee Basis files, which record non-VA care paid for by VA. We will also talk about the strengths and weaknesses of self-report data.

## 6. Introduction to Effectiveness, Patient Preferences and Utilities

Date: March 24th

In cost-effectiveness analysis, clinical outcomes such as improved glycemic control were traditionally used as effectiveness measures. Such clinical outcomes face limitations, however, and the field has moved towards using quality adjusted life years (QALYs). This class reviews the many methods available for assessing QALYs.

## 7. Modeling Utilities over Time

Date: April 7th

Statistical models are commonly used to understand how quality adjusted life years change throughout the course of a clinical trial. This lecture will review these multivariate models.

## 8. How Can Cost Effectiveness Analysis Be Made More Relevant to U.S. Health Care?

Date: April 28th

This class will discuss ways for researchers to make their economic analyses more relevant and helpful for decision makers.

## 9. Creating a Decision Model

Date: May 12th

Clinical trials typically follow participants for a year or less. Cost-effectiveness analysis often requires extending the results to capture lifetime costs and benefits. This is possible by using a decision model. This class will provide an overview of these models and their construction.

## 10. Budget Impact Analysis

Date: May 26th

A cost-effectiveness analysis cannot answer all questions relevant for policy makers. This class will review budget impact analysis (BIA) and how the BIA can complement the CEA.

**Angela Fan** earned a BA in Integrative Biology from the University of California, Berkeley and a MPH in Health Policy and Management from Boston University. One of her major projects was a research study regarding health disparities among Asian Americans and Pacific Islanders. Angela volunteers for the American Cancer Society and tutors children in reading.

# Tufts Cost-Effectiveness Registry Updated

The Tufts Medical Center Cost-Effectiveness Registry has announced a major update: it recently added nearly 900 new cost-effectiveness ratios from 330 studies to its online, searchable database. The Registry lists the incremental cost-effectiveness ratios published in thousands of studies across

all fields of medicine. The ratios express cost-effectiveness as the number of dollars required to obtain one additional quality-adjusted life year (QALY) from an intervention relative to an alternative. Cost-effectiveness ratios are useful for choosing interventions to implement on a wider scale and for indicating the need for further refinement in order to improve cost-effectiveness. For information on the Registry visit its web site, [www.cearegistry.org](http://www.cearegistry.org).

## HERC Person-Level Cost Dataset Updated

Each year HERC calculates the total VA cost incurred by each person who uses the VA health care system. These figures are stored in the HERC Person-Level Cost Datasets. The cost figures are drawn from the annual HERC average cost datasets for inpatient and outpatient care. The data include total annual costs as well as subtotals in five categories of inpatient care and four categories of outpatient visits. DSS outpatient pharmacy cost has been included since fiscal year (FY) 1999. With this update the Person-Level Cost Datasets now feature data from FY1998 through FY2008. For detailed information about the data please contact Dr. Shuo Chen at [herc@va.gov](mailto:herc@va.gov).

Users access the Person-Level Cost Datasets through timeshare accounts with the VA Austin Information Technology Center (AITC). To learn about accessing HERC data at AITC please write to Ms. Yoko Ogawa at [herc@va.gov](mailto:herc@va.gov).