

VA HEALTH ECONOMICS BULLETIN

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The VA Health Economics Bulletin is a quarterly publication of the Health Economics Resource Center (HERC) to bring VA researchers updates on datasets and data sources.

For more information on VA datasets, visit the HERC web page for Guidebooks and Technical Reports at <http://www.herc.research.va.gov/publications>.

For economics-related questions, please view our *Frequently Asked Questions (FAQs)* web page at <http://www.herc.research.va.gov/resources/faq.asp>.

For economics advice, please call the HERC consulting service at (650) 617-2630 or email us at herc@va.gov.

HERC Releases FY2012 Average Cost Data

HERC has released its average cost data for the 2012 Federal Fiscal Year (FY). These data include the estimated cost of every VA inpatient stay and outpatient encounter appearing in the annual Medical SAS® Inpatient and Outpatient databases. HERC average cost data use information from non-VA sources to estimate the relative cost of each health care encounter. The HERC average cost method assumes that every health encounter, whether inpatient or outpatient, has an average cost of all encounters with the same characteristics. This data release updates a series that began in FY1998, a

set of nationally representative cost estimates that can be used for cost-effectiveness analyses. HERC inpatient and outpatient average cost data are available from the Austin Information Technology Center (AITC) in the RMTPRD.HERC.SAS directory. More information on the HERC average cost data and the content of the datasets is available on the HERC website at <http://www.herc.research.va.gov/data/ac.asp>. Guidebooks to the HERC average cost data are available on the HERC website at <http://www.herc.research.va.gov/publications/guidebooks.asp>

HERC Data moving to CDW

HERC is working with the National Data Systems (NDS) to move the HERC datasets to the Corporate Data Warehouse (CDW). The current goal is to maintain the datasets as SAS tables. We will continue to update you on the HERC data transition to CDW.

HERC Inpatient Average Cost Data The HERC inpatient average cost datasets are cost estimates of each inpatient stay reported in the VA Patient Treatment File (PTF). There are three HERC inpatient average cost files: medical-surgical, non medical-surgical, and discharge. The medical-

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Dedicated to improving the quality of health economics research

HERC Guidebooks Updated

The Health Economics Resource Center (HERC) provides guidebooks as a resource to health services researchers. HERC has recently updated the guide to VA provider data and updates to the guides on PAID and Non-VA Medical Care data are coming soon. The updated guidebooks can be found on the HERC website at <http://www.herc.research.va.gov/publications/guidebooks.asp>. A brief description of the guidebooks is below.

VA Provider Data There are four data sources that provide information on VA providers: the Na-

tional Health Care Practitioner Database (NHCPD), the Primary Care Management Module, the Decision Support System (DSS) datasets, and the VHA Medical SAS® datasets. This guide, *Guide to VA Data on Health Care Providers*, is an overview of provider-related variables and the relationships between them. The updated guide includes significant revisions to the sample SAS® code for converting the DSS provider identification variable (ORD_PROV) to the NHCPD provider identification variable format

(PROVID).

PAID The Personnel and Accounting Integrated Data System (PAID) is an automated system that combines human resources, payroll, and accounting information to create computerized personnel records for VA employees. The 2013 update of this guide, *Guidebook for Research Use of PAID Data*, will include a new section on examples of PAID data use in research and updated links to additional resources.

Non-VA Medical Care The Non-VA Medical Care files, formerly Fee Basis,

provide information on payments made by VA to non-VA health care providers under certain arrangements. The files include information on patients, providers, care provided, charges, payments, and financial processing. The HERC guide, *Non-VA Medical Care (Fee Basis) Data: A Guide for Researchers*, describes the characteristics of the data, concordance between files, and recommendations for use in research. The updated guide will include new information on data access and resources.

HERC Releases FY2012 Average Cost Datasets (cont.)

(Continued from page 1)

surgical file contains average cost estimates of all persons discharged from an acute medical-surgical bedsection. The non medical-surgical file contains average cost estimates of all persons discharged from other bedsections including rehabilitation, mental health, or long-term care. The discharge file contains costs all hospitals stays ending with a discharge during the fiscal year. The companion guide, *HERC's Average Cost Datasets for*

VA Inpatient Care, details the methods used to build the dataset, assumptions underlying the dataset, and how to use the dataset, including limitations.

HERC Outpatient Average Cost Data The HERC outpatient average cost data contain cost estimates of each outpatient encounter reported in the VA Outpatient Care file (OPC). The HERC outpatient average cost dataset contains three types of cost estimates: HERC value, national cost esti-

mate, and local cost estimate. The HERC value is a hypothetical reimbursement cost based on Medicare and other reimbursement methods based on the Current Procedural Terminology (CPT) coding system. The national cost estimate represents the national average cost of a visit, given its CPT and clinic type. The local cost estimate represents the local cost of the visit, based on the national cost but adjusted to reflect the actual cost of ambulatory care at the medical center.

The HERC outpatient average cost file can be merged with the Outpatient Events file (SE) using the variable 'ENCOUNTER_ID'. The companion guide, *HERC's Outpatient Average Cost Dataset for VA Care*, details the methods used to calculate the costs and to assign care to categories of ambulatory care. It also describes the variables in the dataset.

New Publications on Evidence Synthesis for Decision Making

By Risha Gidwani, Dr.P.H., Health Economist

The July 2013 edition of *Medical Decision Making* focuses on evidence synthesis for decision making. Article topics include network meta-analysis and Bayesian approaches to evidence synthesis. Many of the articles in this edition are authored by well-known UK researchers in this field from the University of Bristol and the University of Leicester and are based on Technical Support Documents they prepared for the National Institute for Health and Clinical Excellence (NICE) Decision Support Unit. HERC recommends these articles for anyone interested in evidence synthesis for stand-alone purposes or for deriving inputs for use in a cost-effectiveness model.

Network meta-analysis is an extension of meta-analysis and is used when

researchers wish to synthesize a body of evidence in order to understand the absolute or relative efficacy of two or more treatments that have not been directly compared in a head-to-head randomized controlled trial (RCT). For example, two active treatments may have each been compared to placebo in a randomized controlled trial, and a decision-maker may be interested in understanding which of the two active treatments has the highest efficacy. Network meta-analysis takes advantage of the body of evidence and derives estimates for the comparison of interest while maintaining randomization within each trial (Figure 1).

Network meta-analysis (sometimes called indirect treatment comparisons or mixed treatment

comparisons) can be conducted using Bayesian or frequentist statistical analyses. Frequentist analyses represent the traditional statistical analyses with which most researchers are familiar with; they derive estimates of efficacy or effectiveness from study-collected data. Bayesian approaches derive estimates by combining some prior knowledge about the intervention (characterized by either an informative or relatively non-informative distribution) with study-collected data. Bayesian analyses are particularly well-suited to handling the complexities of network meta-analyses. The article series on evidence synthesis for decision making is available from the Society for Medical Decision Making at <http://mdm.sagepub.com/>.

HERC Presentation on Health Care Efficiency

Health care efficiency was the topic of a lecture by HERC Associate Director Todd Wagner at the June 21, 2013 National Leadership Council meeting. Dr. Wagner covered 5 main topics: what is health care efficiency, the link between efficiency and waste, becoming more efficient, barriers to efficiency, and data to aid in the search for efficiency. This presentation is part of the 'Lunch and Learn' series by HSR&D/QUERI speakers to the National Leadership Council. The council had previously heard a talk on health care costs by HERC Director Paul Barnett. The National Leadership Council is a group of senior leaders from the Veterans Health Administration, including the directors of the agency's 21 regional health care networks. For more information on this series, visit the HSR&D intranet Web page on the 'Lunch and Learn' series at <http://vawww.hsrd.research.va.gov/nlc/de-fault.cfm#.UeRQn6ywVsQ>.

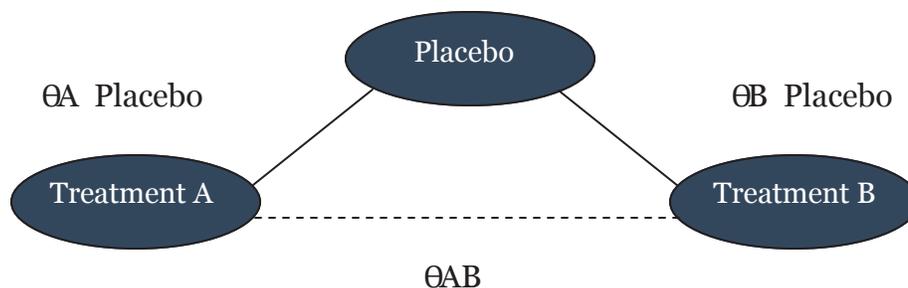


Figure 1. The straight lines represent data from 2 RCTs; one RCT comparing Treatment A to placebo, and another RCT comparing Treatment B to placebo. The dotted line represents the estimate of Treatment A versus Treatment B, derived from the network meta-analysis.

HERC Staff Update

Vera Katseva joined HERC in July 2013. Before coming to HERC, Vera worked at the VA Palo Alto Office of Population Health with Dr. Larry Mole. Other previous work experience includes work for CROs, Stanford Health Care System and Gilead pharmaceuticals. Vera was born in Moscow, USSR and immigrated to the United States in 1991. Vera has a BS in Statistics and a MS in Computer Science from the Moscow State Pedagogical University and a PhD in Education and Computer Sciences from the Academy of Pedagogical Sciences in Moscow. When she lived in Russia, Vera enjoyed white water kayaking. Now Vera enjoys skiing, skating, bicycling, gymnastics, hiking, and reading, especially poetry. She also enjoys visiting museums, theatres, and concerts. Vera is happily married with one daughter and a wonderful dog.



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HERC Cyber Course and Seminars

Each hourly session begins at 11:00am Pacific (2:00pm Eastern), unless otherwise noted.

Register: <http://www.hsrd.research.va.gov/Cyberseminars>
Schedule & archives: <http://www.herc.research.va.gov/training/>

Cyber Seminars

The Health Economics Cyber Seminars feature presentations on a variety of health economics and health services topics.

September 18, 2013 TBA
Jonathan Shaw, M.D.
VA Palo Alto Health Care System

October 16, 2013 TBA

Econometrics with Observational Data

This course provides participants with sufficient background in econometrics to choose techniques suited to both their data and to their economic model. There will be a strong emphasis on applied work, illustrating the use of statistical software applied to VA data.

October 2, 2013 Econometrics Course: Introduction & Identification
Todd Wagner, Ph.D.

October 9, 2013 Research Design
Christine Pal Chee, Ph.D.

October 23, 2013 Propensity Scores
Todd Wagner, Ph.D.

October 30, 2013 Instrumental Variables Models
Christine Pal Chee, Ph.D.

November 6, 2013 Right-hand Side Variables
Ciaran Phibbs, Ph.D.

November 13, 2013 Limited Dependent Variables
Ciaran Phibbs, Ph.D.

November 20, 2013 Cost as the Dependent Variable (Part I)
Paul Barnett, Ph.D.

December 4, 2013 Cost as the Dependent Variable (Part II)
Paul Barnett, Ph.D.

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