

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 Organizes Affordable Care Act Research-Operations Workgroup

Jennifer Liao & Jean Yoon, PhD

The VA Health Economics Resource Center (HERC) organized a VHA research-operations workgroup on potential impacts of the Affordable Care Act (ACA) on demand for VHA care. The first meeting was held by telephone in January, 2014. HERC set up the workgroup as part of its resource center activities to bring VA Health Services Research & Development (HSR&D) researchers and VHA operations leaders together on critical policy and research issues. The initial meeting provided an introduction to operations leaders and researchers interested in

this topic.

In attendance were individuals from a wide range of VHA operations offices, including the Office of Policy and Planning, Office of Patient Care Services, and Operational Analytics and Reporting. Operations leaders identified priority questions that they hoped could be answered in future research. These questions included understanding how Veterans are making decisions to enroll in VHA care or other public and private insurance options.

HSR&D researchers from

different HSR&D Centers of Innovation (COINs) around the country described their current and planned ACA-related projects to address some of these priority questions. The workgroup also discussed topics for future research such as understanding how emerging technologies impact demand for care. The workgroup will meet periodically to discuss updates and progress towards developing research in a critical area for VHA and providing information to VHA operations in a timely manner.



Dedicated to improving
the quality of health
economics research

Tobacco Use Technical Report Released

Longitudinal information on tobacco use is now available on more than 70% of VA patients. A new HERC technical report describes the results of an analysis of the health factors database, entries generated by clinical reminders software found in the VA Corporate Data Warehouse. Information on tobacco use status was available for 4.0 million of the 5.7 million veterans who used VA health services in the 2011 fiscal year. At the facility-level, data completeness ranged from a low of 26.4% to a high of 90.6%.

Repeated assessments in the dataset will be useful to

evaluate efforts to improve VA tobacco cessation programs. Among persons with a tobacco use assessment in fiscal year 2009, a follow-up assessment was available within 24 months for 88% who were current tobacco users and for 86% of those who had quit within the prior 7 years. The follow-up data found 12.3% of current users had quit. Relapse was more common in recent quitters. Among those who had quit for less than a year, 34.3% had resumed tobacco use. Among those who had quit between 1 and 7 years, 11.5% had relapsed. Just 2.4% of those who had quit

for more than seven years relapsed.

The health factors entries required substantial processing to convert heterogeneous entries into standardized categories of tobacco status. Some records could not be interpreted, and in a small number of cases, records from the same date gave conflicting information.

The report concluded that the health factors database can provide the tobacco use status of most VHA patients, and that it can be used for long term follow-up. Data limitations were also noted. Since tobacco use status de-

termines the follow-up interval, it is not a good source of data on tobacco use prevalence. Information is less complete than medical record review. VHA is developing a dedicated database of tobacco screening, but until this is developed, the health factors data will be useful.

The report is available as HERC technical report number 28. The analysis was supported by the VA QUERI program. The study was led by HERC economist Paul Barnett with the assistance of project staff Nicole Flores and Adam Chow.

Updates on the DSO/MCAO

The VHA Decision Support Office (DSO) has changed its name to the Managerial Cost Accounting Office (MCAO). The program office name change will not change the role of DSO/MCAO at VA.

MCAO has released fiscal year (FY) 2014 documentation on the National Data Extracts (NDEs). This documentation includes the NDE technical guide, NDE

Metadata, and NDE layout specifications. Researchers will find the NDE technical guide a useful resource that provides detailed descriptions of each of the 22 NDEs, as well as information about the data transition to the VA Corporate Data Warehouse (CDW). The technical guide is available on the MCAO intranet site under *National Reporting > National Data Extracts*

& Reporting Information. For more information on MCA and NDE documentation, visit the MCAO website at <http://vawww.dss.med.va.gov/index.asp> (note, this link directs you to an internal VA website that is not available to the public).

MCA NDEs (formerly DSS NDEs) from FY 2005 to present are now available in the VA Corporate Data

Warehouse (CDW). MCA NDEs prior to FY 2005 are available at CDW but are not supported with MCA NDE documentation. For more information on the process to request MCA data at CDW, please visit the VHA Data Portal at <http://vawww.vhadataportal.med.va.gov> (note, this link directs you to an internal VA website that is not available to the public).

HERC Guidebooks Updated

HERC updated guidebooks to the HERC Decision Support System (DSS) discharge dataset and to the HERC inpatient average cost dataset. HERC provides researchers and operations users with guidebooks on economics-related topics as a resource to facilitate health services research at VA. Guidebooks are located on the HERC website under *Publications > Guidebooks*, or at <http://www.herc.research.va.gov/publications/guidebooks.asp>.

HERC's DSS Discharge Dataset with Subtotals for Inpatient Categories of Care (HDISCH) guidebook has been updated through fiscal year 2012. The HERC discharge dataset is identical to the DSS discharge dataset; however, the HERC dataset adds cost subtotals for 13 categories of inpa-

tient care, using data from the DSS treating specialty file. The categories of care include acute medicine, rehabilitation, blind rehabilitation, spinal cord injury, surgery, psychiatry, substance abuse, intermediate medicine, domiciliary, nursing home, psychosocial residential rehabilitation treatment program, intensive care unit, and unidentified care. The guide describes the methods used to create the dataset, methods for reconciling differences between the DSS discharge file and the DSS treating specialty file, and notes for using the HERC discharge dataset. The guide can be found on the HERC website via *Publications > Guidebooks*, under the subheading 'Decision Support System (DSS) Data.'

The *HERC Average Cost Datasets for VA Inpatient Care*

guidebook has been updated through fiscal year 2012. The HERC inpatient average cost datasets are cost estimates of each inpatient stay reported in the VA Patient Treatment File (PTF). Costs are reported in three files: medical-surgical, non-medical-surgical, and discharge. HERC average cost data are based on costs reported in the DSS treating specialty file and utilization reported in the VA Patient Treatment File (PTF). These data assume that every health care encounter has the average cost of all encounters that share its same characteristics. The guide describes the methods used to build the datasets, including underlying assumptions, and how to use the data. The guide can be found on the HERC website via *Publications > Guidebooks*, under the subheading 'HERC Average Cost Datasets.'

FY12 Person-Level Cost Summary Updated

HERC person-level FY12 data describe the annual costs of care received by each user the VHA services. These costs are categorized into 11 buckets: 5 categories of inpatient care, 4 categories of outpatient care,

outpatient pharmacy, and purchased care (Fee Basis). Purchased care claims take considerable time to be finalized, so purchased care data are added only after 2 years have elapsed. These data are tabulated into to-

tals per category of spending on the HERC Intranet website under *Data > Tabulations*, or at <http://www.herc.research.va.gov/data/tabulations.asp>.

Staff Updates

Angela Fan resumed her position as a research associate at HERC, beginning November, 2013. She previously worked as a research associate at HERC for 3 years before moving to Los Angeles. Angela earned a BA in Integrative biology from the University of California, Berkeley and a MPH in Health Policy and Management from Boston University. Angela is a certified yoga instructor who loves to practice and teach yoga during her spare time.

Siphannay Nhean began as a research associate with HERC in January, 2014. She previously served as a Program Analyst for the Department of Veterans Affairs Northeast Program Evaluation Center in West Haven, CT. In this role she assisted in a congressionally mandated evaluation of programs that provide services to homeless Veterans. Siphannay obtained her MPH in Social and Behavioral Sciences from the Boston University School of Public Health in 2009.

HERC Cost-Effectiveness Analysis Course

Are you interested in conducting cost-effectiveness analyses? Register to attend the HERC Cost-Effectiveness Analysis (CEA) cyber course! This course has been redesigned to provide researchers with an expanded introduction to the decision analysis landscape. New sessions cover the derivation of transition probabilities and methods for conducting sensitivity analyses. Presentations also cover cost-effectiveness and budget impact analyses.

This course is primarily designed for researchers who are new to cost-effectiveness and budget impact analyses, but also offers advanced topics seminars for those who seek to expand their existing knowledge base. Each hourly session begins at 2:00pm ET/11:00am PT, unless otherwise noted. To learn more about each individual session, please visit the HERC Cost-Effectiveness Analysis cyber course webpage at <http://www.herc.research.va.gov/training>. To register for a session, please visit the VA Health Services Research & Development (HSR&D) Cyberseminar website at <http://www.hsrd.research.va.gov/Cyberseminars>.

April 9, 2014 at 12pm PT	An Overview of Decision Analysis <i>Risha Gidwani, Dr.P.H.</i>
April 23, 2014	Recommendations for Conducting Cost-Effectiveness: Elements of the Reference Case <i>Ciaran Phibbs, Ph.D.</i>
April 30, 2014	Estimating the Cost of an Intervention <i>Todd Wagner, Ph.D.</i>
May 7, 2014	VA Costs: HERC versus DSS <i>TBD</i>
May 14, 2014	Introduction to Effectiveness, Patient Preferences and Utilities <i>Patsi Sinnott, P.T., Ph.D., M.P.H.</i>
May 28, 2014	Modeling in Decision Analysis <i>Jeremy Goldhaber-Fiebert, Ph.D.</i> <i>Assistant Professor of Medicine, CHP/PCOR Core Faculty Member</i> <i>Centers for Health Policy and Primary Care Outcomes Research</i> <i>Stanford University School of Medicine</i>
June 4, 2014	Estimating Transition Probabilities for a Model <i>Risha Gidwani, Dr.P.H.</i>
June 11, 2014	Evidence Synthesis to Derive Transition Probabilities <i>Risha Gidwani, Dr.P.H.</i>
June 25, 2014	Sensitivity Analyses <i>Risha Gidwani, Dr.P.H.</i>
July 2, 2014	Budget Impact Analysis <i>Patsi Sinnott, P.T., Ph.D., M.P.H.</i>
July 9, 2014	How Can Cost-Effectiveness Analysis be Made More Relevant to U.S. Healthcare? <i>Paul Barnett, Ph.D.</i>

HERC

The Health Economics Resource Center produces pioneering, rigorous health economics and related research that improves health care within and beyond VA.

Our research activities include innovation and excellence in:

- Performing cost and cost-effectiveness analyses
- Studying the efficiency of health care
- Evaluating health programs and interventions
- Planning, managing, and analyzing randomized clinical trials
- Health care decision modeling
- Assessing health-related quality of life
- Health economics and health services research

We are committed to:

- Integrity
- High quality of work
- Productivity
- Transparency
- Mutual trust and respect
- Teamwork
- Investment in people through learning and mentoring
- A flexible, supportive, and enjoyable work environment



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HERC Cyber Seminars

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

Register: <http://www.hsrdr.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.

February 19, 2014 **Hospital Profiling with Enhanced Risk Adjustment Based on Laboratory Test and Vital Signs Data**

Amresh Hanchate, Ph.D.

Economist, VA Boston Healthcare System

Ann Borzecki, M.D., M.P.H.

Investigator, Bedford VA Medical Center

March 19, 2014 **Mental Health Care during Periodic Health Exams: How Do They Occur and How Long Do They Last**

Ming Tai-Seale, Ph.D., M.P.H.

Senior Investigator

Palo Alto Medical Foundation (PAMF) Research Institute

April 16, 2014 **The Power of Observational Data to Compare Treatments for Type 2 Diabetes on Long-Term Outcomes**

Julia Prentice, Ph.D.

Health Science Specialist

Health Care Financing & Economics,

VA Boston Health Care System

For information on the HERC Cost Effectiveness Analysis Course, please see [page 4](#)

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