

VA HEALTH ECONOMICS BULLETIN

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HERC Cost Datasets at VINCI

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.



Dedicated to improving the quality of health economics research

HERC has moved its annual cost datasets to the VA Informatics and Computing Infrastructure (VINCI). Datasets include the HERC inpatient average cost files, HERC outpatient average cost files, HERC person-level cost files, and HERC inpatient discharge files. Currently all HERC cost datasets include scrambled social security number as the patient identifier. However, HERC is working to replace scrambled social security number with the CDW-specific identifier (PatientSID).

Access to HERC cost data at VINCI is approved by the VA National Data Systems (NDS). Researchers who wish to use HERC cost data must submit the appropriate research re-

quest documents and use the appropriate processes (i.e., the Data Access Request Tracker (DART) process) as determined by NDS. For current information on how to request access to VA datasets at CDW, visit the VHA Data Portal at <http://vawww.vhadataportal.med.va.gov/Home.aspx>. **Note:** This is an internal site within the VA private network and cannot be reached from the Internet.

The HERC cost files at VINCI are protected and approved by permissions to their parent datasets. Access to the HERC inpatient average cost, outpatient average cost, and person-level cost files requires approval to use the Medical SAS files (MedSAS) files at CDW;

access to the HERC discharge cost files requires approval to use the DSS files at CDW. Currently to request access to the HERC files at VINCI you must (1) indicate *scrambled social security number* access to MedSAS and/or *scrambled social security number* access to DSS data at CDW on the VAF 9957 Section 3 (Access Requested) and (2) denote the specific HERC cost files you will use in the Research Request Memo Section 5 (Description of the type of data needed).

Once approved for access, you can find the HERC cost files on VINCI and on the SAS Grid. The HERC files at VINCI are located at

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Instrumental Variables Technical Report Released

With greater access to observational data, more people are questioning how to use these existing data to inform clinical decisions and policy. Unfortunately results of observational analyses are prone to bias. A new HERC technical report provides an overview of the instrumental variables (IV) method that can be used to correct for this bias, describes relevance and strength of IVs, and shows examples of common instruments from the published literature.

The most common introduc-

tion of bias into observational studies is when the primary right-hand-side variable (i.e., treatment variable) is correlated with other factors that are not included in the analysis; this creates a problem often referred to as endogeneity. Regression models assume that all treatment variables are exogenous, or unrelated to unobserved variables. However, if a treatment variable is in fact endogenous (i.e., correlated with unobserved variables) it violates this assumption, resulting in a biased regression coefficient, and an incorrect esti-

mate of the treatment effect. IV is a statistical modeling technique that can be used to correct for endogeneity.

An IV must be directly linked to the treatment variable but must not be correlated to the outcome variable (see diagram 1). There are two main features of IVs: relevance and strength. Relevance refers to the lack of association between the instrument (IV) and outcome variables. Strength refers to its predictive power and is measured by computing a partial F-statistic. An IV

with a partial F-statistic greater than 10 is minimally adequate. Some common examples of IVs are described in the report.

The new HERC Technical Report 29 *Instrumental Variables with VA Data* is available on the HERC website at www.herc.research.va.gov/publications/technical_reports.asp. The report describes instrumental variables used in health services research, including travel distance, co-payments, and changing availability of treatments over time.

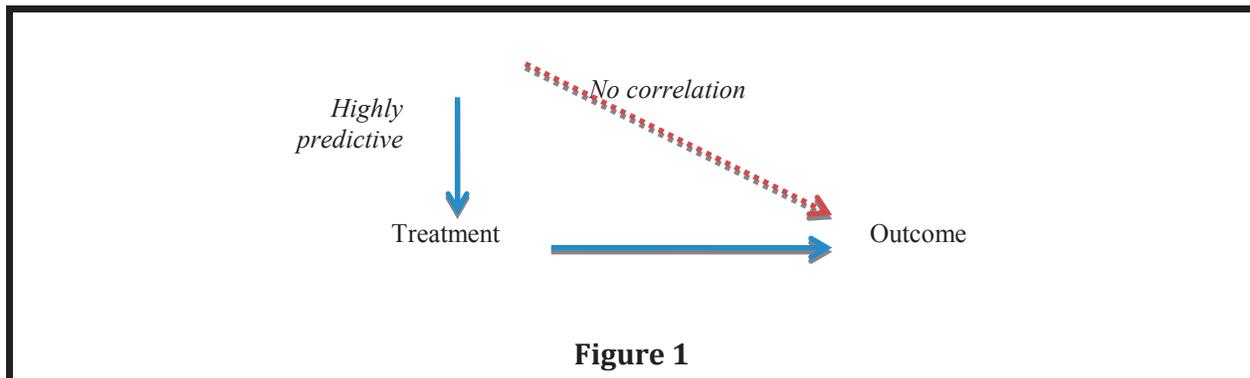


Figure 1

HERC Cost Data at VINCI (cont.)

[\\vhac-dwsasrds01.vha.med.va.gov/HERC](http://vhac-dwsasrds01.vha.med.va.gov/HERC). These files are only available behind the VINCI firewall, so users must have NDS approval and a VINCI account.

The HERC files on the SAS9.3 Grid are located at /sas/prod/gfs/sasdata/HERC/ on the server VHAC-

DWSAS16.MED.VA.GOV. The files on the SAS Grid can only be accessed from within a SAS Grid connection session or from a Secure FTP client application. **Note:** The data locations at VINCI and on the SAS Grid are internal sites within the VA private network and cannot be reached without appropriate approvals.

Updates on the HERC-specific data request process and HERC data location at VINCI and on the SAS Grid will be posted to the HERC website (<http://www.herc.research.va.gov/home/default.asp>) and in the HERC Bulletin (<http://www.herc.research.va.gov/publications/bulletins.asp>). Future updates to HERC

guidebooks will include changes to dataset location, dataset format, and dataset use in the CDW/VINCI environment. For questions on access to the HERC files at VINCI, please contact HERC directly via email at HERC@va.gov or via phone at (650) 617-2630.

HERC Cost-Effectiveness Analysis Course

Join us in the six remaining sessions of the HERC Cost-Effectiveness Analysis (CEA) cyber course! This course began on April 9th and has covered the basic elements of a CEA, the methods to estimate the cost of an intervention, the difference between HERC cost data and Decision Support System (DSS) cost data, and an overview of effectiveness, patient preferences and utilities. Recordings of these past sessions have been archived on the VA HSR&D cyber seminar website at <http://www.hsrdr.research.va.gov/cyberseminars/catalog-archive.cfm>.

The 2014 HERC CEA cyber course has been redesigned to provide attendees with an expanded introduction to the decision analysis landscape. Remaining sessions cover the derivation of transition probabilities, methods for conducting sensitivity analyses, budget impact analysis, and making cost-effectiveness more relevant to today's society.

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.hsrdr.research.va.gov/Cyberseminars>.

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>TBN</i>
July 9, 2014	How Can Cost-Effectiveness Analysis be Made More Relevant to U.S. Healthcare? <i>Paul Barnett, Ph.D.</i>

Staff Updates

Wei Yu re-joined the VA Health Economics Resource Center (HERC) in March 2014. His research interest covers healthcare cost determination, insurance payment method, cost-effective analysis, and healthcare organization. He conducts research in cost identification and estimation in the VA health care system, for VA patients who had chronic conditions, and VA cost for those near end of life, and cost-effective analysis in VA clinical trials.

Prior to his first HERC position, he was a research assistant professor at Boston University Medical School and conducted research in risk adjustment for Medicare capitation payment, medical treatment for people near the end of life, and provided training on using Medicare data in research. After six years' service at HERC, he went to Shanghai University of Finance and Economics and was a professor of public economics and administration and studied public hospital reform and physician compensation.

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.hsrc.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.

May 21, 2014

The VA Caregiver Support Evaluation Center: Overview of Mixed Methods to Assess Short-Term Impacts of VA Caregiver Support on Veterans and Caregivers

Courtney Van Houtven, Ph.D.

Research Scientist

Center for Health Services Research in Primary Care,
Durham VAMC

June 18, 2014

Implications of the Affordable Care Act for Use of VA Primary Care: Lessons from the Massachusetts Health Reform

Edwin Wong, Ph.D.

Research Career Development Awardee

Center of Innovation for Veteran-Centered and Value
Driven Care, VA Puget Sound

July 16, 2014

Estimating the Cost of Healthcare-Associated MRSA Infections in the VA

Richard Nelson, Ph.D.

Investigator

Informatics, Decision-Enhancement and Analytic Sciences
Center (IDEAS 2.0), Salt Lake City VAMC

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

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