Researchers' Guide to the DSS Monthly Program Cost Report (MPCR)

Todd H. Wagner, Ph.D.
Adam Chow, B.A.
Wei Yu, Ph.D.
Paul G. Barnett, Ph.D.

January 20, 2006

Table of Contents

Acknowledgements:
We would like to acknowledge help from the DSS Bedford Technical Support Office staff including Laura Sarro, Larry Nedzbala and John Bonsall. We also greatly benefited from comments from Bob McNamara, Ken Coburn, and Steve Kendall from the Allocation Resource Center.

1. Background

The Veterans Health Administration (VA) uses the Decision Support System (DSS) for managing financial accounts. DSS provides financial information at many levels from department costs to production-level costs. The Monthly Program Cost Report (MPCR) is a computer-generated summary report produced monthly (14th workday of each month). Each month is cumulative for the fiscal year; data for prior months' can be restated. For example, the November report may have updated information on October that was not in the October report. The September report is the annual report. The MPCR has replaced the Cost Distribution Report (CDR), which ceased production in FY04.

DSS staff has created a MPCR Handbook. The most recent version is available on the DSS Reports Website. This HERC guidebook is designed to complement the official MPCR Handbook, by providing some additional information for researchers. VA researchers interested in using the MPCR are encouraged to contact HERC with additional questions.

Perspective: The MPCR tracks the distribution of Veterans Equitable Resource Allocation (VERA) funds to medical centers. Direct care costs in the MPCR are separated from the indirect care, non-VA contract care, and depreciation/ overhead. Researchers interested in department-level costs with indirect costs, depreciation and overhead should not use the MPCR and use summarized data from the DSS NDEs.

MPCR Methods: The VA tracks expenditure data in the Financial Management System (FMS). Cost data in the MPCR are designed to correspond to cost from the VA medical care appropriation reported in the FMS report 830 for the same period. Each month, VA cost and encounter data are combined to create the MPCR.

The first step is the creation of the Estimated ALB, which reflects cumulative fiscal year cost. The Estimated ALB uses information on the cost center and budget object code to grouped costs as: Direct Care (200 series of cost centers), Indirect Care (400, 500 and some 600 series of cost centers), non-VA Contract Care (300 series) and Depreciation/Overhead.

The next step is to estimate the percentage of costs that are incurred in each medical center department. To create this estimate, DSS uses the most recent complete encounter-level cost estimates from the DSS National Data Extracts (NDE) for treating specialties and clinic stops. The final step multiplies cost data in the Estimated ALB by these percentages to estimate the costs incurred in each MPCR account.

Unit of Analysis: Costs at each VA medical center are reported by MPCR accounts. These accounts correspond to inpatient wards and groups of outpatient clinics. Other accounts track cost for non-VA contract care, home health services, national programs, and national and VISN administrative offices.

Researchers should consider using this dataset when the unit of analysis is the department or larger (e.g., medical center or Veteran Integrated Service Network [VISN]). The MPCR does not have patient-level or encounter-level costs.

Costs passed through to MPCR without distribution: Some costs in the Estimated ALB are passed through to MPCR unchanged. These include depreciation, corporate overhead, and the cost of non-VA contract care.

MPCR and CDR: The MPCR replaces the venerable CDR. Both reports were created in federal fiscal year (FY) 2004, after which the CDR was discontinued. There are many similarities between the two financial reports, although there are some important distinctions. Both systems reflect expenditures from the VA FMS report 830. Below is a list of some key differences.

- The MPCR does not have cost center or budget object code information. The CDR had this detail.
- The MPCR maps costs to patient care using information from the DSS system. The CDR used reports from service chiefs to allocate costs.
- The MPCR categorizes all indirect costs into one account. The CDR had separate categories for indirect costs.
- The MPCR is arranged by medical center and uses a 3-digit hospital identifier. In some cases, the CDR differentiated integrated facilities with a five-digit hospital identifier.
- The MPCR file size is considerably smaller than the CDR because it does not have cost center or budget object code information.
- In the MPCR, the patient-care accounts (the 1000 and 2000 series of the acctno variable) do not include the cost of depreciation and corporate overhead. Researchers needing department-level costs with depreciation and overhead need to use the DSS outpatient and treatment specialty NDEs.
- Some stations have CDR costs but no MPCR costs, for example 101 (Central Office), 200 (Austin), and 702, 742, 776, 777, and 792, now have their costs included in the MPCR as HQ or National Program overhead.
- The MPCR reports unfunded pensions whereas the CDR did not.

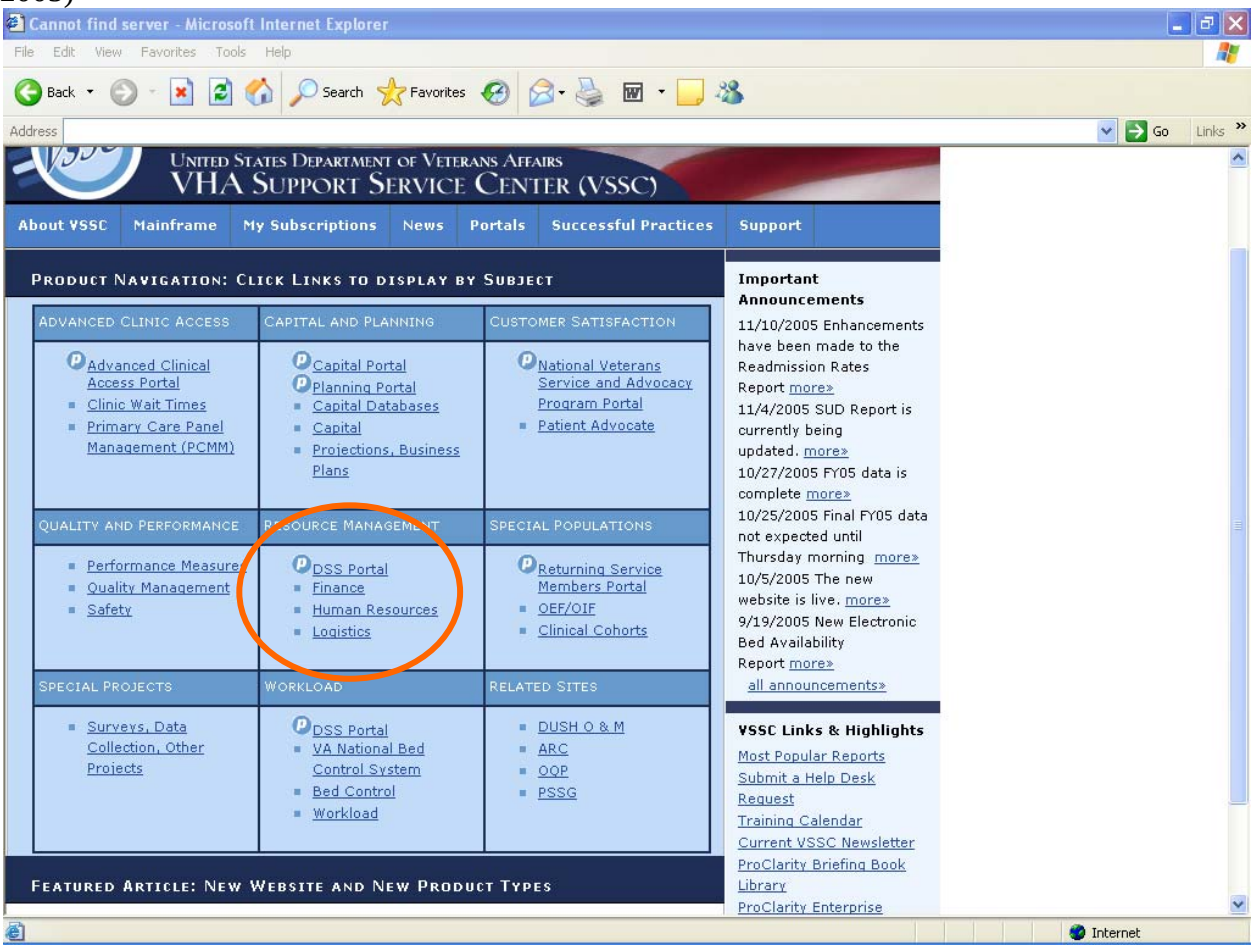
2. Accessing MPCR

Confidentiality: Users of DSS data should sign a data privacy statement stating that they will not disclose information on the cost of VA products. Disclosure could affect VA's ability to negotiate prices.

Access to MPCR through the KLF Menu: Researchers can access MPCR data in three ways. The first involves the KLF menu (i.e,. VISN Services Support Center's web site), which is accessible using Microsoft Explorer (version 5 or higher). Figure 1 shows the layout of KLF menu as of June 9, 2004. MPCR access is located under the financial tab on the left side of the web page. Clicking on MPCR accesses a web interface for generating summary reports. These reports can be viewed on Explorer and transferred to Excel. Large requests cannot be viewed in Explorer and must be viewed in Excel.

The KFL menu generates reports by using SAS at Austin. Researchers with Austin permissions can also access the MPCR data with an additional functional task code.

Figure 1: Accessing MPCR through KLF Menu (Source: VSSC's KLF menu, accessed December 5, 2005)



Access to MPCR through Austin: The second way to access the MPCR reports is through the Austin Automation Center. The data are stored in a flat text file that must be read into SAS. The location of the MPCR at Austin is as follows:

RMTPRD.SYS.PCR.DETAIL.**<MN3><CYPMO>**
Where **<MN3>** is the month abbreviation and **<CYPMO>** is the current year or the previous processing month (e.g., RMTPRD.SYS.PCR.DETAIL.OCT03)

The following SAS code can be copied and modified to read the MPCR into SAS.

```
DATA M1203;
  INFILE IN1 MISSOVER;
  INPUT @1     GROUP       2.
        @5     VISN        2.
        @7     STA3N       3.
        @12    ACCTNO      6.
        @18    ACCTNAME  $15.
        @61    FTE       PD5.2
        @66    PSCOST    PD8.2
        @74    OTHCOST   PD8.2
        @82    TOTCOST   PD8.2
        @90    UNITAMT   PD7.0
        @97    UNITCOST  PD5.2
        @102   UNITDEPT  PD5.2
        ;
  LABEL PSCOST   = "PERSONNEL SERVICE COST"
        OTHCOST  = "OTHER COST"
        TOTCOST  = "TOTAL COST"
        UNITAMT  = "UNIT AMOUNT"
        UNITCOST = "UNIT FACILITY COST"
        UNITDEPT = "UNIT DEPARTMENT COST"
        FTE      = "FULL TIME EQUIV"
        STA3N    = "STATION"
        VISN     = "VISN"
        ACCTNO   = "ACCOUNT NUMBER"
        ACCTNAME = "ACCOUNT NAME"
        ;
```

Access to MPCR via CDs: The final source of MPCR data come from local chiefs of fiscal services. Each month, the prior month's MPCR reports are sent to the chiefs of the VA fiscal service on a CD-ROM.

Access to the Official MPCR Handbook: DSS staff wrote the Official MPCR Handbook. The Handbook can be found on the KLF Menu Intranet web site. Please contact HERC for the link. Alternatively, go to the KLF menu and then add one of the following addresses: /fm/MPCR_Handbook.doc or /dss_reports/vha_program_cost_reports/mpcr.htm.

3. MPCR Variables

The variables in the MPCR are similar to those in the CDR and they are briefly described below.

Station Identifier: The MPCR uses the three-digit station number, also known as STA3N, to identify the VAMC facility. This variable indicates the parent station (VA hospital) or the parent station of a branch to which the patient was admitted. Appendix B lists the station codes and their names as of FY04.

Facility Name: This is the facility name associated with the station identifier STA3N.

VISN Number: These are 21 mutually exclusive geographic areas known as VISNs.

1. VA New England Health Care Network
2. VA Health Care Network Upstate NY
3. VA NY/NJ Veterans Health Care Network
4. VA Stars and Stripes Health Care Network
5. VA Capital Health Care Network
6. VA Mid-Atlantic Health Care Network
7. The Atlanta Network
8. VA Sunshine Health Care Network
9. VA Mid South Health Care Network
10. VA Health Care System of Ohio
11. Veterans in Partnership
12. The Great Lakes Health Care System
13. *(merged with 14 to form VISN 23)*
14. *(merged with 13 to form VISN 23)*
15. VA Heartland Network
16. South Central VA Health Care Network
17. VA Heart of Texas Health Care Network
18. VA Southwest Health Care Network
19. Rocky Mountain Network
20. Northwest Health Network
21. VA Sierra Pacific Network
22. VA Desert Pacific Healthcare Network
23. VA Midwest Health Care Network

Account number: The account code is a four-digit number with two numbers to the right of the decimal point (i.e., 1234.xx). It combines two pieces of information: (1) major cost category, and (2) distribution account. Digit 1 represents the major cost category. The decimal suffix identifies whether the cost category is direct or indirect. Table 1 below shows the major cost categories. The official MPCR Handbook lists the distribution accounts, their sub-accounts, and a definition. Appendix C shows the accounts numbers and names for FY04.

Table 1: Major Cost Categories

Category	Account Series
Inpatient – VA	1000
Outpatient – VA	2000
Inpatient – Non –VA	3000
Outpatient – Non –VA	4000
Off-Facility Programs – VA	5000
Miscellaneous Benefits & Services	6000
Corporate Cost and Depreciation	7000
Services Furnished Other Than VHA	8000
Account Suffix Codes	
Direct Care	.00
Indirect Care	.30

Account Name: This is an alphanumeric variable with the name of the account, as defined by the account number. See Appendix C for more details.

Units: The measurable workload reported for each individual MPCR account; e.g., patient days, outpatient visits, prescriptions filled is contained in the Official MPCR handbook Appendix D.

Unit Facility Cost: Total cost divided by total reported workload (units) for each MPCR account at the facility.

Unit Dept National Cost: Total cost divided by total reported workload (units) for each MPCR account or bed section at the national level.

Personnel Service Cost: Expenditures paid to employees as wages plus cost of fringe benefits. The MPCR assumes that personnel costs are a constant fraction of all direct costs, with the exception of pharmacy and prosthetics. Since supplies make up a large fraction of the cost of pharmacy and prosthetics, MPCR prepares a separate calculation of the fraction of their costs that are for personnel. Personnel can be distinguished from other costs in these areas because the Estimated ALB has cost centers for pharmacy (cost center 224), prosthetic laboratory (cost center 272), and orthotics (cost center 273). It is not possible to separately distinguish personnel costs associated with other activities because they are not distinguished by their own cost center (e.g., there is no cost center for inpatient care or outpatient care).

The percentage of pharmacy and prosthetics costs spent on personnel is used to find the personnel costs of outpatient pharmacy (MPCR account 2613) and outpatient prosthetics (account 2614), respectively.

All Other Cost: Expenditures reflected in the FMS cost accounting system (2000 series and Non-Capitalized 3000 series budget object codes (BOCs)) for supplies consumed and services utilized.

Total Cost: Total cost is the sum of personnel service cost and all other costs.

Full Time Employee Equivalent (FTEE): FTEs are estimated by dividing total hours from FMS by the number of paid hours expected of a full-time employee in that month. The expected number of hours is calculated based on the number of workdays, excluding holidays. This assumes a 5-day work week. Because the number of hours varies across months, the FTEs fluctuate too.

4. MPCR Costs

The cost data in the MPCR comes from the VA general ledger (FMS). The DSS Account Level Budgeter processes the FMS data and creates an Estimated ALB. Data in the Estimated ALB are arranged by service related cost centers.

The next step in the creation of the MPCR is to distribute the Estimated ALB costs to patient care services. Not all costs get assigned to patient care. Some costs bypass this process; they are called non-patient care costs. These include depreciation, corporate overhead and the cost of Non-VA contract care.

Note on Non-Patient Care Costs
Depreciation, corporate overhead and the cost of contract care are part of the Estimated ALB, but they are not assigned to patient care. They are "passed through" to the MPCR unchanged.

The estimated ALB data are totaled for direct patient care (account codes with a .00 suffix; Table 1), and indirect costs (account codes with a .30 suffix). These costs are then grouped and distributed to MPCR cost accounts based on DSS/NDE data. Under each MPCR account, the costs are summarized into Personnel Cost and All Other Cost; Total Cost is the sum of these two cost components. The Official MPCR handbook from DSS shows the MPCR accounts and the corresponding source and source detail from DSS/NDE activity.
MPCR Workload

Comparing MPCR and CDR
Differences in activity accounts: There are a few accounts that were in the CDR that are not in the MPCR. These include inpatient dialysis (1118), operating room (1212), and open-heart operating room (1213). The MPCR requires a treating specialty or clinic stop in the NDE files in order to distribute costs to the MPCR account numbers. The MPCR includes the cost of unfunded pensions, which were not included in the CDR.

Differences by Station: Facilities that are integrated, with different campuses using the same 3-digit facility code, are sometimes distinguished in the CDR. These facilities have different 5-digit codes. Such facilities will not be distinguished in MPCR. DSS does not distinguish facilities that use the same 3-digit facility identifier.

For example, in New York State, Canandaigua, Bath, Syracuse, Albany, Buffalo and Batavia all have the same 3-digit station number (528). Some continue to be distinguished in the CDR by the 5-digit station number. A number of medical centers have been assigned the same station number (636) in the Midwest: Omaha, Lincoln, Grand Island, Iowa City, Des Moines, and Knoxville Iowa. Lincoln and Grand Island can be distinguished from the other medical centers in the CDR using the 5-digit station number. VISN 15 uses 657 for stations that can be distinguished in the CDR with 5 digit identifiers Poplar Bluff (657A4) and Marion (657A5). VISN 15 uses 589 for Kansas City, as well as Columbia Missouri (589A4), Wichita (589A7), and Eastern Kansas (Topeka and Leavenworth which have been integrated). In FY06 and beyond these, VISN integrations will have five digit station codes.

5. Summary

The MPCR was developed to replace the CDR. Like the CDR, MPCR reports costs from FMS. The distribution of costs into MPCR accounts is based on the DSS encounter-level NDEs (i.e., treatment specialty and outpatient file). Some cost activities that were in the CDR are not reported in the MPCR. Others get aggregated into separate accounts, such as depreciation, overhead, and National Programs. Workload data are acquired through linkages to other VA data systems.

MPCR is prepared monthly. MPCR is cumulative for the fiscal year to date. Each month's MPCR report has new expenditure and workload data such that data for prior months can be restated. The MPCR has cost data not easily available in other dataset. The grid below briefly summarizes the similarities and differences between the MPCR and the CDR.

MPCR	CDR
Implemented FY04 to present (replaces CDR)	Ceased production in FY04
FMS expenditures are distributed based on DSS estimates.	FMS expenditures are distributed using data from service chiefs.
Uses FMS definition of direct/indirect cost. Assigns indirect costs to each activity account.	Assigns indirect costs to groups of activities.
Cannot separately identify research and educational expenses.	Has separate indirect cost for research, education, administration, engineering, etc.
Cannot distinguish integrated facilities that use the same 3-digit station number (STA3N). Example: New York State, Canandaigua, Bath, Syracuse, Albany, Buffalo, and Batavia have station code 528 prior to FY06.	Has a 5-digit station number to identify the different campuses of a VA Health Care System.

Appendix A: Abbreviations

Acronym	Definition	Details
ALB	Account Level Budgeter	Contains expense and budget information. The module is organized by cost centers and accounts that relates easily to traditional VA expense information sources.
AAC	Austin Automation Center	The Austin Automation Center is a Federal data center. Most VA data are housed at AAC, including the National Patient Care Database (NPCD) and Decision Support System (DSS) National Data Extracts.
CDR	Cost Distribution Report	The CDR contains estimates of the costs expended by each patient care department in a VA medical center. Costs are distributed into Cost Distribution Accounts
DSS	Decision Support System	The VHA Decision Support System (DSS) is an automated management information system that tracks health care utilization and cost.
FMS	Financial Management System	FMS provides the general ledger for VA. Its purpose is to track obligations and costs by facility and time period (month, quarter and fiscal year). Cost centers and subaccounts (budget object codes) are used to organize the data by purpose, such as labor costs, medical supplies, and overhead.
FY	Federal Fiscal Year	The federal fiscal year runs from October 1st to September 30th and is named for year in which it ends.
MPCR	Monthly Program Cost Report	A financial report created by DSS to list expenditures.
NDEs	National Data Extracts	The NDEs are datasets generated from the VA Decision Support System (DSS). Extracts containing inpatient and outpatient services are currently available. Pharmacy, radiology and laboratory test extracts are available.
VHA and VA	Veterans Health Administration in the Department of Veterans Affairs	VA has three main functions: to assist veterans with burial costs, to provide eligible veterans with medical care, and to provide eligible veterans with compensation/pension services. Among health researchers, VA is often used interchangeably with VHA.
VISN	Veterans Integrated Service Network	The VA medical system is organized into 22 geographic networks known as VISNs. Each VISN contains two or more VA health care systems as well as outpatient clinics.
VERA	Veterans Equitable Resource Allocation	The method by which VA distributes money from Central Office to VISNs or Networks.

Appendix B: Station Identifiers (STA3N)

Station Number (STA3N)	Station Name
402	TOGUS
405	WHITE RIVER JCT
436	FORT HARRISON
437	FARGO
438	SIOUX FALLS
442	CHEYENNE
452	VAMC WICHITA KS<102001
459	HONOLULU
460	WILMINGTON
501	NEW MEXICO HCS
502	ALEXANDRIA
503	JAMES E VAN ZANDT VAMC
504	AMARILLO HCS
506	ANN ARBOR HCS
508	ATLANTA
509	AUGUSTA
512	BALTIMORE
515	BATTLE CREEK
516	BAY PINES
517	BECKLEY
518	BEDFORD
519	WEST TEXAS HCS
520	GULF COAST HCS
521	BIRMINGHAM
523	BOSTON
526	BRONX
528	UPSTATE N.Y. HCS
529	BUTLER
531	BOISE
534	CHARLESTON
537	VA CHICAGO HCS
538	CHILLICOTHE
539	CINCINNATI
540	CLARKSBURG
541	CLEVELAND-WADE PARK
542	COATESVILLE
544	COLUMBIA SC
546	MIAMI
548	W PALM BEACH
549	DALLAS
550	ILLIANA HCS DANVILLE IL

552	DAYTON
553	DETROIT VAMC
554	DENVER
556	NORTH CHICAGO
557	DUBLIN
558	DURHAM
561	EAST ORANGE
562	ERIE
564	FAYETTEVILLE AR
565	FAYETTEVILLE NC
568	FORT MEADE
570	CENTRAL CALIFORNIA HCS
573	N FL/S GA HCS
575	GRAND JUNCTION
578	HINES
580	HOUSTON
581	HUNTINGTON
583	INDIANAPOLIS-10TH ST
585	IRON MOUNTAIN
586	JACKSON
589	VAMC HEARTLAND-W KANSAS MO
590	HAMPTON
593	LAS VEGAS
595	LEBANON
596	LEXINGTON-LEESTOWN
598	LITTLE ROCK
600	VA LONG BEACH HCS CA
603	LOUISVILLE
605	LOMA LINDA
607	MADISON
608	MANCHESTER
610	NORTHERN INDIANA HCS
612	NCHC MARTINEZ
613	MARTINSBURG
614	MEMPHIS
618	MINNEAPOLIS
619	MONTGOMERY
620	MONTROSE VA HUDSON HCS NY
621	MOUNTAIN HOME
623	MUSKOGEE
626	VA MID TENN HCS NASH TN
629	NEW ORLEANS
630	N.Y. HARBOR HCS
631	NORTHAMPTON
632	NORTHPORT
635	OKLAHOMA CITY

636	VA NEB-WESTERN IA HCS
637	ASHEVILLE-OTEEN
640	PALO ALTO HCS
642	PHILADELPHIA
644	PHOENIX
646	PITTSBURGH-UNIV DR
648	PORTLAND
649	NORTHERN ARIZONA HCS
650	PROVIDENCE
652	RICHMOND
653	VA ROSEBURG HCS
654	SIERRA NEVADA HCS
655	SAGINAW
656	ST CLOUD
657	VA HEARTLAND-E VH MO
658	SALEM
659	SALISBURY
660	SALT LAKE CITY HTHCARE
662	SAN FRANCISCO
663	PUGET SOUND HCS
664	VA SAN DIEGO HCS
666	SHERIDAN
667	SHREVEPORT
668	SPOKANE
671	SAN ANTONIO
672	SAN JUAN PR
673	TAMPA
674	VA CENTRAL TEXAS HCS
676	TOMAH
678	SOUTHERN ARIZONA HCS
679	TUSCALOOSA
687	WALLA WALLA
688	WASHINGTON
689	WEST HAVEN
691	GREATER LA HCS
693	WILKES BARRE
695	MILWAUKEE

Source: VIREC accessed 6/9/2004, based on the FY02 Medical SAS Datasets

Appendix C: Account Number and Name

ACCTNO	ACCTNAME
1110	GENERAL MEDICIN
1111	NEUROLOGY
1113	REHABILITATION
1114	EPILEPSY CENTER
1115	BLIND REHAB
1116	SPINAL CORD INJ
1117	MED INT CARE UN
1120	GEM UNIT - MED
1210	SURGICAL WARD C
1211	SURG INTENSIVE
1310	PSYCHIATRIC WD
1311	GEN INTERMEDIAT
1312	S/A INTERMED CA
1313	S/A TREAT PROG
1314	SPEC INPAT PTSD
1315	EVAL/BRIEF TRMT
1316	STAR I, II & II
1317	S/A STAR I, II
1320	GEM UNIT - PSYC
1410	VA NURSING HOME
1415	INTER MED FOR L
1420	GEM UNIT - NH B
1425	HOSPICE
1510	DOMICILIARY BED
1511	DOM SUBSTANCE A
1512	PTSD RESID REHA
1513	HOMELESS DOMICI
1610	INTERMEDIATE CA
1620	GEM UNIT - INT
1711	PRRTP
1712	PRRP
1713	SARRTP
1714	HCMI CWT/TR
1715	SA CWT/TR
1716	PTSD CWT/TR
1717	GENERAL CWT/TR
2110	MEDICINE
2111	ADMITTING/SCREE
2130	OP PRIMARY CARE
2210	SURGERY

2211	AMB OPERATING R
2310	SPEC PSY TREATM
2311	GEN PSY TREATME
2312	HCHV/HMI
2313	PTSD CLINICAL T
2314	PSYCHOSOCIAL-GR
2315	PSYCHOSOCIAL-IN
2316	SUBSTANCE ABUSE
2317	SUB ABUSE DISOR
2318	HUD/VASH
2319	COMMUNITY OUTRE
2330	OP PRIM CARE SP
2331	OP PRIM CARE GE
2410	DIALYSIS
2420	CANCER TREATMEN
2510	ADULT DAY HLTH
2610	ANCILLARY SERVI
2611	REHAB-SUPT SVCS
2612	DIAGNOSTIC SERV
2613	PHARMACY
2614	PROSTHETICS/ORT
2710	DENTAL PROCEDUR
2750	DOM AFTERCARE -
2780	TELEPHONE CONTA
3000	CONTRACT HOSPIT
3410	COMM NURSING HM
3411	ST NURSING HM C
3510	ST DOM HM CARE
3520	CNTRCT HOMELESS
3521	CNT ALC DRUG TR
3522	HOMELESS PROVID
3610	ST HM HOSP CARE
3611	CHAMPVA
4000	NON-VA FEE BASI
4112	CNT ADLT DAY HL
4113	STATE HOME - AD
4120	CONTRACT/FEE DI
5110	HOSP BASED HOME
5112	SPNL CORD INJ H
5113	RES CARE HOME P
5114	OTH HOME BASED
5115	COM BASED DOM A
5116	HOMEMAKER/HOMEH
5117	MH INTENSIVE CA
6010	OTHER MISC BEN/
6011	VISN/NATIONAL S
6999	UNMAPPED ALB CO

7614	HEADQUARTERS OV
7615	NATIONAL PRGRM
7652	VISN OVERHEAD
7681	EQUIP DEPRECIAT
7682	BLDG DEPRECIATI
7700	UNFUNDED PENSIO
7999	UNMAPPED ALB OV
8022	SERVICES FURN N
8024	DOD SHARING