New Variables Added to Fee Basis Data

Important new variables have been added to the Fee Basis datasets at the Austin IT Center. Together they provide substantial new information about the clinical status of VA enrollees receiving care at non-VA facilities.

The Fee Basis program enables VA to purchase care from non-VA providers under several circumstances. The program has grown quickly in recent years and will account for roughly 10% of VHA spending in FY2010. It is increasingly important for researchers to understand coordination of Fee Basis and VA care and to study the clinical and cost outcomes of the Fee Basis program as an adjunct to VA care.

Eight Fee Basis datasets are created each year, of which three contain information on specific encounters. VA data managers recently added several new variables to the two files that reflect inpatient services. One file represents paid claims from inpatient facilities, while the other represents paid claims from ancillary providers (such as independent laboratories) and from physicians treating inpatients.

The new variables include the following: up to 25 admission diagnoses; up to 25 discharge diagnoses, from 5 in earlier years; up to 25 ICD-9 procedure codes, from 5 earlier; and up to 4 CPT modifier codes in the ancillary file. With one exception these new fields first appear in the FY2009 Fee Basis data. The CPT modifiers also appear in the FY2008 ancillary/physician services file.

A HERC guidebook describes the Fee Basis data and its uses for research. We recently updated the guidebook to reflect the new variables. The update also features a new appendix on Fee Purpose of Visit codes, a brief technical guide used to train Fee Basis staff. The HERC guidebook is available on the HERC intranet web site under Publications.

Appendices in the guidebook list the contents of the eight Fee Basis files from FY2009. The same outputs are available online for each year from FY2000 to FY2009. To find them, visit the HERC intranet web site and click on Data on the left.

Upcoming HERC Cyber-seminars

July 21, 2010 – Patsi Sinnott, P.T., Ph.D., M.P.H.
Spine Pain in VA: Finding the complete/right cohort

July 28, 2010 – Mark W. Smith, Ph.D.
Using Fee Basis data for research

The schedule of upcoming cyber-seminars, and information on the archives, are available on our website: www.herc.research.va.gov.

To register for these seminars, visit http://www.hsrd.research.va.gov/forResearchers/cyber_seminars/catalog.cfm
FY2009 Average Cost Data Available

HERC has released its Average Cost Data for FY2009 VA care. They feature an estimated cost for every completed inpatient stay and for every outpatient encounter appearing in the FY2009 Medical SAS Inpatient and Outpatient Databases, respectively, also known as the Patient Treatment File (PTF) and Outpatient Care file (OPC).

HERC categorizes inpatient stays into two types of care, acute and nonacute. Acute types are usually short hospitalizations stays for acute medicine, surgery, and intensive care (ICU), although they can be longer. Nonacute types include treatments for general rehabilitation, blind rehabilitation, spinal cord injury (SCI) rehabilitation, psychiatric care, substance abuse care, intermediate medicine, domiciliary, nursing home care, or psychosocial residential rehabilitation treatment program (PRRTTP).

HERC estimates average costs for both types of inpatient stays. We assume that hospitalizations having similar characteristics will have the same costs. For acute inpatient stays, we calculate costs using a cost vector. This method employs relative weights from Medicare’s prospective payment system that reimburse hospitals for health care services incurred by Medicare patients. Using this method, hospital stays are classified into Diagnostic Related Groups (DRGs) on the basis of clinical information on the hospital admission. The hospital is paid a flat rate based on the specific DRG. We assume that acute hospitalizations in VA use relative resources similar to those under Medicare. In contrast, non-acute costs are estimated under the assumption that the cost for the hospital stay is a function of the average cost per day of the inpatient treatment: (average cost per day) x (length of stay).

An average cost for each outpatient encounter in OPC is derived by estimating the Medicare reimbursement for each encounter and then adjusting it so that the total across encounters sums to actual VA spending on outpatient care. This approach implicitly reflects Medicare relative value units (RVUs), numbers which represent the relative amount of staff time and other inputs needed to produce one outpatient encounter relative to another. Medicare RVUs may differ substantially from the RVUs built into the VA Decision Support System (DSS). As a result the HERC average cost for an outpatient encounter is at times quite different from the DSS cost for the same encounter. Researchers looking for a discussion of the pros and cons of different costing methods should consult this page on the HERC web site: http://www.herc.research.va.gov/methods/methods_cost.asp.

The inpatient and outpatient files are located in the HERC data repository of the Austin IT Center, RMTPRD.HERC.SAS. Companion guidebooks are currently in the process of being updated to reflect the FY2009 data. Access to the data requires registration with HERC. To register or to ask questions about the data, write to herc@va.gov.