



*Guidebook*

**HERC's Station Level Cost Dataset FY2000 - FY2010**

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Todd H. Wagner

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Health Economics Resource Center (HERC)

VA Palo Alto Healthcare System

795 Willow Road (152 MPD)

Menlo Park, CA 94025

650-617-2630

650-716-2639 (fax)

herc@va.gov

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## Terms

COST_L	Local Cost Estimate
DSS	Decision Support System
FY	Fiscal Year
HERC	Health Economics Resource Center
MPCR	Monthly Program Cost Report created by DSS
PRRTP	Psychosocial Residential Rehabilitation Treatment Programs
PTF	Patient Treatment File
TRT	Treating Specialty (synonymous with bedsection)
VERA	Veterans Equitable Resource Allocation

## **Abstract**

The U.S. Department of Veterans Affairs (VA) provides health care to more than 5 million veterans each year. DSS datasets have detailed cost information at many levels, but one dataset not created by DSS is a station level dataset with subtotal for types of care. This guidebook describes HERC's method for estimating the cost of VA inpatient and outpatient services.

We classified inpatient care into twelve service categories based on the treating specialty. These services include medicine and surgery, rehabilitation, blind rehabilitation, spinal cord injury, specialized psychiatric, substance abuse treatment, intermediate medicine, domiciliary, and psychosocial residential rehabilitation stays (psychiatric and substance use). For these twelve services, we tabulated days of care and costs.

We classified outpatient care into thirteen service categories based on the clinic stop: medicine, dialysis, ancillary, rehab, diagnostics, pharmacy, prosthetics, surgery, psychiatry, substance use, dental, adult day, and home care. For these outpatient services we tabulated visits and costs.

The result is a dataset with twenty-five service categories, costs and utilization counts at each VA medical center.

## 1. Overview

HERC's Station Level data sets contain total expenditures for VA care in HERC-designated service categories. These data report the annual costs and total utilization (inpatient days or outpatient visits) for twelve inpatient and thirteen outpatient service categories.

Inpatients services include: medicine and surgery, rehabilitation, blind rehabilitation, spinal cord injury, specialized psychiatric, substance abuse treatment, intermediate medicine, domiciliary, and psychosocial residential rehabilitation stays (psychiatric and substance use).

Outpatient services include: medicine, dialysis, ancillary, rehab, diagnostics, pharmacy, prosthetics, surgery, psychiatry, substance use, dental, adult day, and home care. For these outpatient services we tabulated visits and costs.

The Station Level cost data sets contain one record per service per station, as identified by 3-digit station number (STA3N), per fiscal year. The Station Level cost data sets are named stationXX (where the XX refers to the fiscal year of the data set). These datasets can be found on the VA mainframe at Austin in the RMTPRD.HERC.DSS.SAS directory.

We created the Station Level Dataset by summarizing costs in the DSS Treating Specialty File (TRT) and the DSS outpatient file (OPAT) for each fiscal year. We created a variable representing the total cost in the service. We also created another variable representing the number of units of care in service per FY. Inpatient utilization come from the PTF and represents the number of bed days in the FY. Outpatient utilization is based on the DSS data and represents encounters per clinic in the same day.

We include VA medical centers that provide inpatient or outpatient care. The list of 3-digit station numbers includes 402-695, 756 and 757. Excluded are consolidated mail order pharmacies. To get a complete picture of outpatient pharmacy costs, researchers should use the DSS pharmacy files.

There are twelve inpatient categories and thirteen outpatient categories. Table 1 lists the service categories and the corresponding treating specialties. Table 2 lists the service categories and the corresponding outpatient clinic stop numbers.

The Station Level dataset is not comparable with the Monthly Program Cost Report (MPCR), which 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 service-level costs with indirect costs, depreciation and overhead should use the HERC Station Level dataset and not the MPCR. Given the underlying differences between the datasets, the HERC Station Level dataset is not interchangeable with the MPCR.

**Table 1: Inpatient service categories and associated treating specialties**

<b>Service Category</b>	<b>Treating specialties included in the category</b>
0: Acute Medicine	1-12 14 15 16 17 18 19 24 31 34 35 75 83
1: Rehabilitation	20, 41
2: Blind Rehabilitation	21, 36
3: Spinal Cord Injury	22, 23
4: Surgery	50-63, 65
5: Psychiatry	25 26 28 33 38 39 70 71 76 77 79 89 91 92 93 94
6: Substance Abuse	27 29 72 73 74 84 90
7: Intermediate Medicine	32 40
8: Domiciliary	37 85 86 87 88
9: Nursing Home	42 43 44 45 46 47 64 66 67 68 69 80 81 95 96
10: MH PR RTP*	25 26 28 38 39
11: SA PR RTP*	27 29

\* PR RTP programs must be approved and they are approved at the following station numbers: 501, 504, 463, 637, 515, 516, 518, 523, 528, 541, 549, 554, 561, 568, 573, 590, 459, 586, 589, 555, 595, 598, 546, 620, 622, 556, 631, 632, 635, 640, 645, 653, 658, 662, 663, 666, 656, 676, 678, 687, 689

Each year, a few service categories include utilization but no costs. Researchers should take this into account when they use the data. One way involves moving the utilization into another service category. For example, researchers can add the intermediate medicine utilization into the nursing home care category, when there are no costs for intermediate medicine. This is particularly important if the researcher is interested in an accurate estimation of the total costs per service category.



**Table 2: Outpatient service categories and associated clinic stops**

<b>Service Category</b>	<b>Clinic stops included in the category</b>
Medicine	101 102 103 116 130 131 149 159 182 185 186 187 219 220 221 290 293 301-326 328-335 336 348 350 351 352 370 371 372 373 394 431 436 450-485 674 683 684 685 686 690 691 692 693 701 702 706-710 714 728 1I1 3I1
Dialysis	602 603 604 606 607 608 611 6I1
Ancillary	99 117 120 122-125 147 160 163 165-169 998 999
Rehab	223 201-211 213-214 216-218 294-296 715 2I1
Diagnostics	104-109 115 126-128 144-146 148 212 150-153 643 703-705
Prosthetics	417 418 423 425 449
Surgery	291 327 401-416 419-422 424 426-430 432 433 435 457 716 900 4I1
Psychiatry	292 502 504 505 506 509 510 512 515 516 520 521 522 524-533 535- 538 540 542 546 550 551-554 557-559 561-567 568 569 570 571 572 573-581 582 583 584 589 590 713 727 729
Substance use treatment	507 508 513 514 517-519 523 543-545 547 555 556 560 ASI
Dental Care	180 181
Adult Day	190
Home care	118 119 121 170-179 215 501 503 680 681 682 725 726
Contract extended care	650 651 652 653 654 655 656 657 670
Contract care	610 640 641 642 660 730 731 DDC
Unassigned*	161 164 711 712 801 0I1 5I1 7I1 8I1 9I1 ECS UNK
Pharmacy	NOT INCLUDED

\*unassigned costs get reassigned to medicine

## 2. Variables

**sta3n:** Three-digit station identifier that indicates the VA hospital or the parent station of a branch where the patient was serviced

**cat:** HERC service category. Table 1 lists the inpatient categories and Table 2 lists the outpatient categories

**year:** The year is based on the fiscal year. The federal fiscal year runs from October 1<sup>st</sup> to September 30<sup>th</sup> and it is named for the year in which it ends

**cost\_1:** Sum of all of the costs in the category for the medical center. HERC uses this value when calculating the local costs in the HERC average cost datasets.

**count:** Count of utilization in the category. For inpatient categories, this represents bed days from the PTF and for outpatient care this represents visits from the DSS files.

**catnum:** number of the category. Note category 26 (outpatient pharmacy) is missing. Researchers interested in pharmacy costs should use the DSS pharmacy dataset.

**avgcost:** The average cost per unit of utilization in the category in the medical center. This is a local average cost, which is either a cost per day (inpatient) or a cost per encounter (outpatient).

**mc\_cost:** Total costs for inpatient and outpatient care in the medical center. This excludes pharmacy costs.