



2008 Annual Report

Health Economics Resource Center (HERC)

A Resource Center

Menlo Park, California

ECN 99-017

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2008 Annual Report

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1 Overview

The HSR&D Health Economics Resource Center (HERC) is dedicated to increasing the quality of VA health economics research and cost-effectiveness studies. It is a national center that helps VA researchers determine the cost of VA care, assess cost-effectiveness, and evaluate the efficiency of VA programs and providers.

HERC operates an economics consulting service, teaches courses on health economics and econometrics, and coordinates health economics Cyber-Seminars. HERC estimates the cost of all VA health care encounters, develops guidebooks to VA data, issues technical reports with analyses of economic data, and a bulletin to update customers on HERC activities.

The expertise of HERC economists is developed in their participation in economic studies that are funded by VA HSR&D, the QUERI Program, the Cooperative Studies Program, and the National Institutes of Health.

HERC plans to undertake the following activities in FY09:

- Customer support and average cost products

HERC will offer its course on economic analysis with experimental data for the seventh time in 2009. This course, which describes methods of cost-effective analysis and VA economic data, will be revised to enhance student interaction and update content. HERC will continue to issue the VA Health Economics Bulletin, provide consulting services that answers researchers' questions, and assist in HSR&D reviews of economic research. HERC will update its directory of VA economic researchers, to provide HSR&D researchers with the names of potential collaborators with economic expertise.

HERC will create a database with cost estimates of all hospital stays and outpatient encounters provided by VA in FY08, and update the inpatient and outpatient guides to these data.

HERC will create a guide to the VA payroll database, PAID.

- New DSS products

HERC will update its guide to DSS encounter-level extracts. It will create a guide to the DSS Intermediate Product Department extracts, which provide department-level cost subtotals for outpatient visits and inpatients stays.

HERC will develop a prototype national data extract of DSS inpatient discharge data, providing a data set with cost and length of stay in each of 10 categories of inpatient care.

HERC will also develop an annual facility level data set with the DSS cost incurred in each of ten categories of inpatient care and 13 categories of outpatient care.

- HERC supplements

HERC will continue to assist with the design of economic evaluations of QUERI efforts and to contribute to reviews of the QUERI R&M Committee. HERC will coordinate monthly HSR&D economics Cyber-Seminars, and recruit non-VA experts to participate as Cyber-Seminar faculty.

2 Resource Team

HERC staff consists of six full-time Health Economists, eight Research Associates who provide programming and analytical support, six Research Assistants, and an Administrative Officer. The HERC Principal Investigator is Paul Barnett. Mark Smith serves as Co-Principal Investigator.

Other HERC health economists include Ciaran Pibbs, Patricia Sinnott, Todd Wagner, and Jean Yoon. Research Associates include Lakshmi Ananth, Shuo Chen, Adam Chow, Mistry Gage, Viliya Joyce, Samuel King, and Pon Su, and Jennifer Yang. Research Assistants are Nicole Flores, Cherisse Harden, Scott Holmstrom, Christine Murray, Andrea Shane, and Andrew Siroka. Yoko Ogawa is the HERC Administrative Officer.

Staff changes. During FY08, HERC hired economist Jean Yoon, Research Associate Jennifer Yang, and Research Assistant Nicole Flores. Research Associate Leonor Ayyangar and Economist Wei Yu left HERC.

3 Steering Committee

The HERC steering committee is chaired by Elizabeth Yano, Co-Principal Investigator of the Sepulveda HSR&D Center of Excellence (CoE). Other members include CoE Principal Investigator Martin Charns, HSR&D economists Sarah Krein and Matthew Maciejewski, and HSR&D investigator Peter Groeneveld. Groeneveld replaced Kevin Volpp on the committee.

The steering committee helped HERC implement its strategic plan for 2008 – 2012. It helped HERC choose among the new initiatives suggested by HSR&D reviewers. The steering committee also assisted HERC in crafting a policy to determine which information it will post on the Internet, and which resources it will restrict to the private VA network.

4 Technical Advisory Committee

The HERC DSS technical advisory committee helps HERC develop and implement strategic initiatives on Decision Support System, the VA costing system. Members include Robert McNamara, Director of the VA Allocation Resource Center; Jim Jackson, Manager, Decision Support & Clinical Facilitator, Portland VAMC; and Matthew Maciejewski, HSR&D economist from the Durham CoE. HERC is working to replace former DSS advisory committee member John Bonsall, who left VA.

HERC continues to rely on the advice of the four members of its clinical panel, which is made up of physician health services researchers at the VA Palo Alto Health Care System. They are Alan Garber, Mary Goldstein, Michael Gould, and Douglas Owens.

5 Center Funding

HSR&D service provided the HERC resource center core with a total of \$483,324. This included \$468,500 in core support for salary and non-IT expenses, a \$3,500 IT supplement, and \$11,324 to help incorporate economic evaluation into the HSR&D QUERI program.

HERC investigators obtained more than \$ 1.4 million in additional research support. This included \$548,000 for HSR&D and QUERI merit-reviewed projects, \$875,000 from the VA Cooperative Studies Program, and \$146,000 in support from NIH and private foundations.

6 Accomplishments

a. Customer Service

- Consulting service

The HERC health economics consulting service provides assistance to VA researchers, VISN and central office staff, VA management consultants, and non-VA clients. A weekly call schedule ensures that a PhD economist is always on duty to answer requests. HERC handled 135 requests in the year ending September 30, 2008. Most requests were from VA researchers.

- Health economics courses

HERC revised its course on econometric analysis of observational data and taught it during the 2008.

- HSR&D health economics Cyber-Seminars

HERC coordinated the HSR&D health economics Cyber-Seminar series, which enables VA health economists to hear research results from their peers as well as presentations by non-VA experts on emerging topics of special interest. The seminar audience includes experienced health services researchers and health economists, including those who are at VA research centers who have no nearby peers to discuss research results or methods.

The HERC course and monthly seminar were offered via the HSR&D Cyber-Seminar initiative. It combines telephone conference calls with a web-based application that shows slide presentations, desktop demonstrations, real time polling of students, text messaging between students and faculty panelists, and a textual question-and-answer system.

- Website

HERC reviewed all content of its world-wide website (www.herc.research.va.gov) and made updates as appropriate. The web site now includes 65 answers to frequently asked questions, 15 guidebooks, 23 technical reports, guidelines for conducting VA economics research, national tabulations of VA cost and utilization data, and key VA reference materials needed by economic analysts.

b. Self Measurement of Performance

- Customer support statistics

HERC responded to 135 customer service requests in FY08. These included requests from HSR&D researchers (42.9%), other VA staff (40.5%), researchers from government, non-profit organizations and academia (12.9%), and the general public (4.8%). A customer satisfaction survey is e-mailed to customers. During FY08, 90.2% rated the response to their question as excellent, and 9.8% as very good. No responses received ratings of good, fair, or poor.

- Training statistics

HERC provided seven sessions in the econometrics course. This course was attended by 174 unique students, with average attendance of 57 per session. Most evaluations provided by participants rated the quality of the classes as either excellent (46.4%) or very good (35.7%); the remainder rated them as good (16.9%), or fair (1.0%). Most students (89.9%) felt that the courses had the right level of detail, 6.3% thought that more detail was needed, and 4.3% thought less detail was needed.

HERC coordinated nine health economics Cyber-Seminars in 2008 with average attendance of 60 per session, attended by 203 unique students. Evaluations were obtained from seven seminars. Quality ratings were as follows: 38.3% excellent, 39.5% very good, 18.6% good, and 3.6% fair or poor. Most (88.6%) felt the seminar had the right level of detail, 4.8% thought more detail was needed, and 6.0% thought less detail was needed.

- Publications

HERC investigators were the author or co-author on 13 peer reviewed publications. HERC released four issues of the VA Health Economics Bulletin, two new technical reports, and updated two guidebooks.

- Funding

HERC received \$483,324 for the HSR&D resource center core and supplements for IT and QUERI. HERC economists improved their expertise by participating as investigator or co-investigator on an additional \$1.4 million of economic research.

c. Overview of Publications / Presentations

- Peer-reviewed publications

HERC investigators published 13 peer-reviewed papers in 2008. Important findings included the following papers:

- (1) Patient reports revealed that differences in co-payments affect medication use in ways that are not observable in administrative claims data. Previous studies that relied on claims data have probably understated the effect of co-payments on adherence.
- (2) Modest economic incentives in the form of redeemable vouchers were found to improve methadone patients' adherence with anti-retroviral HIV medications.
- (3) A stepped-care tobacco cessation program for smokers receiving treatment for depression in a psychiatric clinic was found to be cost-effective.
- (4) An evaluation of the VA QUERI program found that economic evaluation is being used when implementation interventions are rolled out to multiple sites; QUERI would benefit if economics was considered in choosing best practices and the strategies to implement them.
- (5) A large trial found that optimally managed patients with stable angina who were randomized to angioplasty had no gain in survival and a slight improvement in quality of life, but the benefit was not worth the cost.

- HERC Technical Reports

HERC published two technical reports. Technical report #22 compared DSS outpatient pharmacy data to an extract from the Pharmacy Benefits Management program (PBM). PBM data contain many unique prescription-related variables, but DSS data are significantly easier to access and link to other utilization data. The report found that DSS data are sufficiently accurate to be used in most research.

Technical report #23 confirmed a trend of improving concordance between DSS national data extracts and VA utilization data sets. By including low-cost DSS encounters in the analysis, outpatient utilization recorded in the National Patient Care Database thought to be missing from DSS was found, revealing that almost all VA outpatient care is being reported in DSS.

HERC updated the appendix to Technical Report #12 with the hourly and annual cost of VHA employees in over 70 job categories, information needed by researchers who are estimating the labor cost of treatment innovations.

- HERC Guidebooks

HERC updated its guidebook on VA contract care (Fee Basis) files to reflect changes in the rules for processing inpatient claims that are outside of the coverage of the Veterans Millennium Health Care and Benefits Act.

HERC also updated the guidebook to the inpatient average cost data base to reflect changes made in producing cost estimates for FY07.

- HERC Bulletin

HERC published four issues of the VA Health Economics Bulletin during FY08. The Bulletin announced HERC courses and publications. Readers learned about alternative sources of VA outpatient pharmacy data, the restructuring of DSS outpatient cost files, the addition of new fields in DSS, the release of the annual HERC person-level cost data, and the methods available to study the cost of telehealth interventions.

d. Research Special Projects for VA/ORD/HSRD

In addition to its core HSR&D support, HERC economists are undertaking several evaluations in response to research questions raised by ORD and VA managers. Studies commissioned by ORD include an evaluation of the new VA centralized review of protection of human subjects and a study of the role of research in physician retention. Management studies include evaluation of a new method of conducting compensation and pension exams.

- HERC QUERI supplement

HERC receives additional HSR&D funding to enlarge its support of the QUERI program. HERC economist Mark Smith participates in the QUERI R&M committee center reviews. A paper on economic analysis of implementation efforts was published.

- HERC Cyber-Seminar supplement

HERC used supplemental HSR&D funding to conduct a monthly series of Cyber-Seminars. Presentations were made by VA researchers and experts from outside the VA.

- Cooperative Studies Program

HERC coordinated the economic activities of the VA Cooperative Studies Program. HERC economists were involved in 13 Cooperative Studies during FY08, including one study in the start-up phase, eight studies actively recruiting or following patients, and four studies in the analysis phase. HERC economists planned the economic analysis in three additional studies.

e. National / Regional Leadership Roles

- VA HSR&D leadership and service

HERC health economists served on the steering committee for HSR&D Evidence Scientific Program, the steering committees of HSR&D REAP centers, on a resource center technical advisory committee, and on the steering committee of the HSR&D Cyber-Seminar initiative. A HERC economist serves on the VIREC Medicare data request panel.

- VA HSR&D QUERI leadership

Mark Smith chaired the advisory board of the Mental Health QUERI ReTIDES, a study to improve the quality of VA care for depression. He serves as a non-voting member of the QUERI Research and Methodology (R&M) Committee. Paul Barnett serves on the executive committee of Substance Use Disorders QUERI.

- Cooperative Studies Program leadership

HERC Principal Investigator Paul Barnett chairs the Cooperative Studies Program Economics Division, which is charged with developing a strategic plan on economics issues. Mark Smith also serves on the division. The HERC Principal Investigator also participates in meetings of CSP leadership. HERC economists participate in leadership of CSP divisions on business operations, policies and procedures, and biostatistics. HERC economists serve on the executive committees of many Cooperative Studies.

- Service to VA Office of Research and Development

In response to requests from VA ORD, HERC economists are estimating the impact of VA research on recruitment and retention of VA physicians and are conducting an evaluation the VA centralized IRB.

- Service to VA headquarters and VISNs

A HERC economist is conducting an economic evaluation of a new method of conducting compensation and pension exams to evaluate veterans for posttraumatic stress disorder.

- Service provided to the medical research community

HERC health economists serve as reviewers for economic, health services, and clinical journals. Mark Smith serves on the editorial board of Implementation Science. HERC economists serve on NIH, AHRQ, and DHS panels, and on an expert panel of the Leapfrog Group.

- University service

Ciaran Phibbs serves on the steering committee of the Health Services and Policy Research scholarly concentration at the Stanford University School of Medicine.

7 Key Impacts

- Key Products

HERC taught a on econometric analysis of observational data for the second time. This seven-session course had strong emphasis on applied work using VA data. HERC organized nine health economics Cyber-Seminars. These included presentations that illustrated economic methods using data from ongoing HSR&D research on areas such as the impact of nurse staffing on inpatient outcomes, the effect of the Medicare prescription drug benefit, evaluation of hospice care, substance abuse treatment, and second-generation antipsychotics.

HERC estimated the cost of all hospital stays and outpatient visits provided by VHA in FY07. This updates HERC data sets that provide estimates of the cost of all care provided by VHA over the last ten years.

- Key Publications.

HERC issued technical report #22 comparing DSS and other sources of data on outpatient pharmacy. HERC issued technical report #23, which confirmed a trend of improving concordance between DSS national data extracts and VA utilization data sets. HERC also updated its guide to VA Fee Basis data.

- Key System Improvements.

HERC has improved the environment for conducting VA health economics studies. HERC created

cost estimates and documented DSS cost data. HERC has issued 23 technical reports evaluating VA data bases with economic elements. HERC's courses, consulting service, and health economics Cyber-Seminars have helped to create a virtual department of VA health economics.

8 Key Services

Key HSR&D Services

During FY08, HERC used Live Meeting software and telephone conference lines to train HSR&D researchers. It taught a new seven-session course on econometric analysis of observational data, and organized nine health economics Cyber-Seminars. HERC operated a consulting service to assist HSR&D and other VA economic researchers. HERC economists served on HSR&D review and advisory panels. HERC helped plan and review QUERI economic evaluations. HERC conducted a survey of HSR&D center principal investigators, to identify economic researchers in preparation of a second survey to identify economic researchers who are able to collaborate as HSR&D study economists.

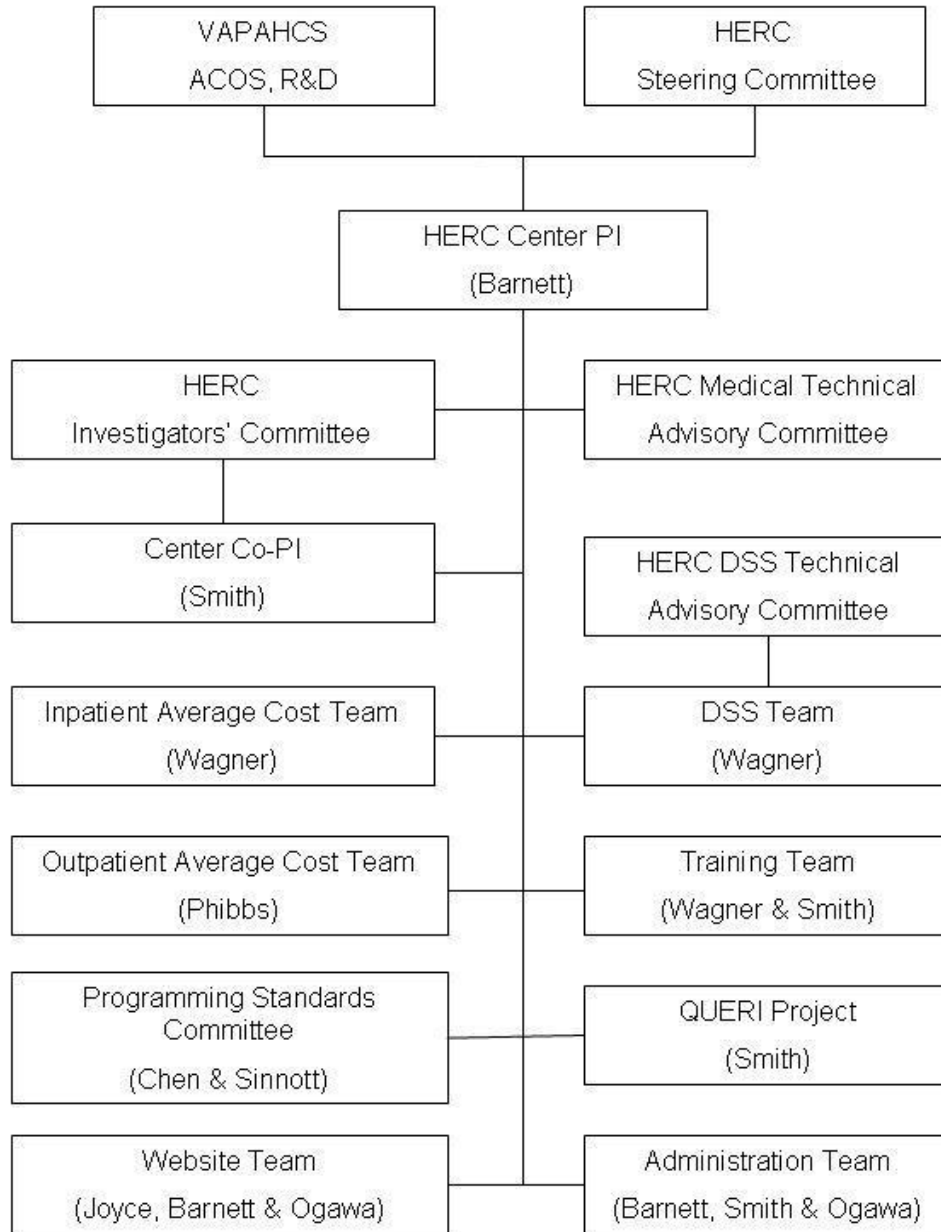
Key Services to VA/ORD

HERC coordinates the economic activities of the VA Cooperative Studies Program. HERC economists were involved with 13 funded Cooperative Studies in FY08. HERC economists are assisting ORD by the new VA centralized review of human subjects protection and by evaluating data on the role of research in physician retention. They are assisted VA managers with a study of VA compensation and pension examinations.

Key Services to National Non-VA audience

HERC economists acted as reviewers for funding agencies and academic publications. HERC helped organize national conference on best practices in health care cost determination. A HERC economist is co-editing papers from this conference, which are to be published as a special supplement to the journal Medical Care.

2.1 Organizational Chart



2.2 Resource Team (Table 2)

HERC Resource Center Resource Team, FY 2008

Name	Title	Ctr FTE HSRD %	VA Appt %	Compensation, Appointment Designation
Ananth, Lakshmi, MS	Research Health Science Specialist	0.15	1.00	VA, Term
Barnett, Paul G., PhD	Center PI (Resource Center)	0.30	1.00	VA, Term
Chen, Shuo, PhD	Research Health Science Specialist	0.20	1.00	VA, Term
Chow, Adam, BA	Research Health Science Specialist	0.20	1.00	VA, Term
Flores, Nicole E, BA	Research Assistant	1.00	1.00	VA, Term
Harden, Cherisse, BA	Research Assistant	0.15	1.00	VA, Term
Holmstrom, Scott, BA	Research Assistant	0.10	1.00	VA, Term
Joyce, Viliija, MS	Research Health Science Specialist	0.15	0.75	VA, Term
King, Samuel S., MS	Research Health Science Specialist	0.20	1.00	VA, Term
Murray, Christine, BA	Research Assistant	0.05	1.00	VA, Term
Ogawa, Yoko, BS	Administrative Officer	0.48	1.00	VA, Term
Phibbs, Ciaran S., PhD	Health Economist	0.25	1.00	VA, Term
Schmitt, Susan	Research Health Science Specialist	0.25	0.25	VA, Term
Shane, Andrea, BA	Research Assistant	0.05	1.00	VA, Term
Sinnott, Patricia L., PhD MPH PT	Health Economist	0.20	1.00	VA, Term
Siroka, Andrew, BA	Research Assistant	0.15	1.00	VA, Term
Smith, Mark W., PhD	Associate Director	0.20	1.00	VA, Term
Su, Pon, MS	Research Health Science Specialist	0.20	1.00	VA, Term
Wagner, Todd H., PhD	Health Economist	0.28	1.00	VA, Term
Yang, Jennifer, MS	Research Health Science Specialist	0.20	1.00	VA, Term
Yoon, Jean, PhD MHS	Investigator	0.10	1.00	VA, Term
Yu, Wei, PhD	Health Economist	0.08	1.00	VA, Term

Personnel Count = 22

CTR FTE HSRD % Total: 4.94

3.1 Steering Committee (Table 3)

HERC Resource Center Steering Committee, FY 2008

Name	Staff Type	Title	Ctr FTE HSRD %	VA Appt %	Compensation, Appointment Designation
Charns, Martin P., DBA	Committee Member Only	Steering Committee Member	0.00	1.00	VA, Term
Groeneveld, Peter W., MD MSc	Committee Member Only	Steering Committee Member	0.00	1.00	VA, Career
Krein, Sarah L., PhD RN	Committee Member Only	Steering Committee Member	0.00	0.88	VA, Schedule B
Maciejewski, Matthew L., PhD	Committee Member Only	Steering Committee Member	0.00	0.63	VA, Term
Volpp, Kevin G., MD PhD	Committee Member Only	Steering Committee Member	0.00	0.63	VA, Career
Yano, Elizabeth M., PhD MSPH	Center Co-PI	Steering Committee Member	0.00	1.00	VA, Schedule B
Personnel Count = 6			Ctr FTE HSRD % Total: 0.00		

4.1 Technical Advisory Committee (Table 4)

HERC Resource Center Technical Advisory Committee, FY 2008

Name	Staff Type	Title	Ctr FTE HSRD %	VA Appt %	Compensation, Appointment Designation
Garber, Alan M., MD PhD	Center Co-PI	Medical Technical Advisory Committee	0.00	0.63	VA, Title 38
Goldstein, Mary K., MD	Committee Member Only	Medical Technical Advisory Committee	0.00	1.00	VA, Title 38
Gould, Michael K., MD MSc	Core Investigator	Medical Technical Advisory Committee	0.00	1.00	VA, Title 38
Jackson, Jim A, BRN BBA	Committee Member Only	DSS Technical Advisory Committee	0.00		VA, Career
Maciejewski, Matthew L., PhD	Committee Member Only	DSS Technical Advisory Committee Member	0.00	0.63	VA, Term
McNamara, Robert J	Committee Member Only	DSS Technical Advisory Committee	0.00		VA, Career
Owens, Douglas K., MD MSc	Core Investigator	Medical Technical Advisory Committee	0.00	1.00	VA, Title 38
Personnel Count = 7			Ctr FTE HSRD % Total: 0.00		

5.1 Budget Information (Table 5)

HERC Resource Center Budget Information

Funding Source(s)	Fiscal Year Funding					Number Of Projects				
	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008
HSR&D										
Core - HSR&D	\$405,000	\$405,000	\$304,066	\$403,000	\$353,500	1	1	1	1	1
Supplemental Funds	\$0	\$4,000	\$9,551	\$0	\$115,000	0	1	1	0	2
QUERI SDR - HSR&D	\$0	\$0	\$0	\$0	\$0	0	0	0	0	0
IIR	\$0	\$0	\$0	\$0	\$0	0	0	0	0	0
SDR	\$0	\$0	\$0	\$0	\$0	0	0	0	0	0
Admin Proj-HSR&D	\$0	\$0	\$0	\$0	\$0	0	0	0	0	0
Sub Total	\$405,000	\$409,000	\$313,617	\$403,000	\$468,500	1	2	2	1	3
QUERI										
QUERI Admin Proj	\$0	\$34,074	\$45,398	\$45,398	\$11,324	0	1	1	1	1
QUERI Admin/Equip	\$0	\$1,800	\$0	\$0	\$0	0	1	0	0	0
Sub Total	\$0	\$35,874	\$45,398	\$45,398	\$11,324	0	2	1	1	1
Other VA										
CSP	\$54,248	\$0	\$0	\$0	\$0	1	0	0	0	0
Other - Other VA	\$35,900	\$0	\$0	\$0	\$0	1	0	0	0	0
Sub Total	\$90,148	\$0	\$0	\$0	\$0	2	0	0	0	0
OI&T										
IT - Center	\$0	\$0	\$13,849	\$16,620	\$3,500	0	0	2	2	1
Sub Total	\$0	\$0	\$13,849	\$16,620	\$3,500	0	0	2	2	1
Totals	\$495,148	\$444,874	\$372,864	\$465,018	\$483,324	3	4	5	4	5
						Total Number Of Unique Projects				
						2004	2005	2006	2007	2008
						3	3	3	3	4

Note: Projects are counted only once if they have multiple funding sources.

6.1.c Bibliography (Table 6c)

Reports

-
1. King SS, Phibbs CS, Yu W, Barnett PG. Comparison of DSS Encounter-Level National Data Extracts and the VA National Patient Care Database: FY2004. 2007 Nov 26.
Center Author(s): Barnett, P; King, S; Phibbs, C
Center: Center Related **Core Investigator:** Paul G. Barnett, PhD

 2. Smith MW, King SS. Comparing Outpatient Cost Data in the DSS National Pharmacy Extract and the Pharmacy Benefits Management V3.0 Database. 2007 Nov 15.
Center Author(s): King, S; Smith, M
Center: Center Related **Core Investigator:** Paul G. Barnett, PhD

Center Product

-
1. Barnett PG, Wagner T. HERC CyberCourse #3: Econometrics Course: Cost as the Dependent Variable (Part II). 2008.
Center Author(s): Barnett, P; Wagner, T
Center: Center Related **Core Investigator:** Paul G. Barnett, PhD

 2. Barnett PG. HERC CyberCourse #2: Econometrics Course: Cost as the Dependent Variable (Part I). 2008.
Center Author(s): Barnett, P
Center: Center Related **Core Investigator:** Paul G. Barnett, PhD

 3. Chen S, Yu W. Guidebook for the HERC Person-Level Cost Data Sets FY1998 - FY2007 (HERC Guidebook). 2008.
Center Author(s): Chen, S; Yu, W
Center: Center Related **Core Investigator:** Paul G. Barnett, PhD

 4. Gage M. HERC CyberSeminar: Instrumental Variables and Correcting for Selection Bias. 2008.
Center Author(s): Barnett, P
Center: Center Related **Core Investigator:** Paul G. Barnett, PhD

 5. Phibbs CS. HERC CyberCourse #4: Econometrics Course: Non-linear Dependent Variables. 2008.
Center Author(s): Phibbs, C
Center: Center Related **Core Investigator:** Paul G. Barnett, PhD

 6. Phibbs CS. HERC CyberCourse #5: Econometrics Course: Right Hand Side Variables. 2008.
Center Author(s): Phibbs, C
Center: Center Related **Core Investigator:** Paul G. Barnett, PhD

 7. Phibbs CS. HERC CyberSeminar: The Impact of Nurse Staffing and Human Capital on Patient Outcomes for VA Inpatient Care. 2008.
Center Author(s): Phibbs, C
Center: Center Related **Core Investigator:** Paul G. Barnett, PhD

 8. Smith MW. HERC CyberCourse #7: Econometrics Course: Endogeneity and Simultaneity. 2008.
Center Author(s): Smith, M
Center: Center Related **Core Investigator:** Paul G. Barnett, PhD

 9. Wagner TH, Chen S, Yu W, Barnett PG. HERC's Average Cost Datasets for VA Inpatient Care FY1998 - FY2006 (HERC Guidebook). 2008.
Center Author(s): Barnett, P; Chen, S; Wagner, T; Yu, W
Center: Center Related **Core Investigator:** Paul G. Barnett, PhD

10. Wagner TH. HERC CyberCourse #1: Econometrics Course: Introduction and Identification. 2008.

Center Author(s): Wagner, T

Center: Center Related

Core Investigator: Paul G. Barnett, PhD

11. Wagner TH. HERC CyberSeminar: Being Productive with STATA. 2008.

Center Author(s): Wagner, T

Center: Center Related

Core Investigator: Paul G. Barnett, PhD

12. Wanger TH. HERC CyberCourse #6: Econometrics Course: Research Design. 2008.

Center Author(s): Wagner, T

Center: Center Related

Core Investigator: Paul G. Barnett, PhD

6.1.d Research Special Projects for VA/ORD/HSRD (Table 6d)

Funded Research Projects and Programs

HERC Resource Center

Agency ID	Project Title	VA Investigator - Role	Type / Source	Current FY Amount	Total Amount	Start Date	End Date	Status
Core/Center/Administrative Projects								
CYS 05-183	Resource Center Cyber-Seminar Program Supplemental Funding	P. G. Barnett PhD - Co-Investigator	HSR&D	\$15,000	\$28,551	10/2004	9/2012	Administrative Funding
ECN 99-017	Health Economics Resource Center	P. G. Barnett PhD - Center PI	HSR&D OI&T	\$353,500 \$3,500	\$3,268,458	9/1999	9/2012	HSR&D Core Funding
SHP 08-235	Health Economics Resource Center - SHP Supplemental Funding	P. G. Barnett PhD - Center PI	HSR&D	\$100,000	\$100,000	3/2008	9/2008	Supplemental Funding
TRA 05-081	Resources for Economic Evaluation of HSR&D QUERI	M. W. Smith PhD - Center Co-PI	QUERI	\$11,324	\$139,994	2/2005	8/2011	Administrative Project

6.1.e National / Regional Leadership Roles (Table 6e)

HERC Resource Center National and Regional Leadership Roles, FY2008

Name	Organization	Org Type*	Role	VA Sponsored	VA Contribution**
P. Barnett PhD	HSR&D Evidence Synthesis Program	EC	Member of Advisory Committee	Yes	1,2
	NCI / AHRQ Meeting on Standard Methods of Health Care Costing	CL	Planning Committee	Yes	3
	VA Cooperative Studies Program, Economics Division	EC	Chair	Yes	3
	HSR&D Cyber Seminar Committee	EC	Member of Steering Committee	Yes	3,4
	QUERI Substance Use Disorders	EC	Member, Executive Committee	Yes	3,5
	Portland HSR&D REAP	EC	Advisory Committee	Yes	4
C. Phibbs PhD	VHA Dementia Steering Committee	VAN	Member	Yes	1,6
	VIReC	VAN	Member, Data Request Review Board	Yes	3
	Leapfrog Group	NB	Scientific Expert	No	3
	Stanford University School of Medicine Health Services and Policy Research Specialty	AS	Member, Steering Committee	No	5,6
P. Sinnott PhD MPH PT	VA HSR&D	RG	SDR Reviewer (ad hoc)	Yes	5
	VA National Pain Management Group	VAN	Member	Yes	5
	American Physical Therapy Association	AS	Member, Task Force	No	5
	American College of Occupational and Environmental Medicine	CL	Member, Methodology Committee for Evidence-Based Practice Guideline Committee	No	5
M. Smith PhD	Project MOVE	EC	Member, Evaluation Working Group	Yes	2
	Mental Health QUERI	EC	Chair, ReTIDES Project Steering Committee	Yes	2,3
	QUERI Research and Methodology Committee	EC	Advisory Member	Yes	2,3
	CIDER	EC	Participant, Cyber-Seminar Program, Steering Committee	Yes	3
	CSP Business Operations Division	EC	Member	Yes	3
	CSP Economics Division	EC	Member	Yes	3
	CSP Trial #519	EC	Member, Executive Committee	Yes	3
	CSP Trial #530	EC	Member, Executive Committee	Yes	3
	Society for the Advancement of Violence and Injury Research	AS	Member, Scientific Policy and Research Committee	No	5
	Implementation Science	EB	Member, Editorial Board	No	5
	SAMHSA Spending Estimates Project Technical Experts Panel	EC	Member	No	5
	American Society of Health Economists Scientific Committee	RG	Member	No	5

Name	Organization	Org Type*	Role	VA Sponsored	VA Contribution**
T. Wagner PhD	MyHealtheVet CAB Performance Framework Subgroup	VAN	Member	Yes	1,3,5
	Research Enhancement Award Program, White River Junction VA	VAR	Member, Steering Committee	Yes	1,4
	CSP 474	EC	Member, Executive Committee-Economics	Yes	2,3
	VIReC	EC	Member, Technical Advisory Committee	Yes	3
	International Consultation on Incontinence	CL	Co-Chair, Committee on Economics	No	3,5

*Organization Type

VAN: VHA National Committee

VAR: VA Regional/Network Committee

AS: Academic Society

CL: Consensus Conference or Clinical Guidelines Development Committee

RG: Study Section or other Research Review Group

EB: Editorial Board

EC: Executive or Advisory Committee for a Research Program or National Study

NB: National Policy Board

**VA Contribution

1: Setting a VA research agenda

2: Oversight of a VA research product, national policy related to patient care

3: Oversight of a research product with national importance

4: Input to training of VA staff or potential researchers

5: Input to the general area of health services research

6: National leadership of a clinical and/or academic program

7.1 Key Impacts (Table 7)

- Key Products

HERC taught a on econometric analysis of observational data for the second time. This seven-session course had strong emphasis on applied work using VA data. HERC organized nine health economics Cyber-Seminars. These included presentations that illustrated economic methods using data from ongoing HSR&D research on areas such as the impact of nurse staffing on inpatient outcomes, the effect of the Medicare prescription drug benefit, evaluation of hospice care, substance abuse treatment, and second-generation antipsychotics.

HERC estimated the cost of all hospital stays and outpatient visits provided by VHA in FY07. This updates HERC data sets that provide estimates of the cost of all care provided by VHA over the last ten years.

- Key Publications.

HERC issued technical report #22 comparing DSS and other sources of data on outpatient pharmacy. HERC issued technical report #23, which confirmed a trend of improving concordance between DSS national data extracts and VA utilization data sets. HERC also updated its guide to VA Fee Basis data.

- Key System Improvements.

HERC has improved the environment for conducting VA health economics studies. HERC created cost estimates and documented DSS cost data. HERC has issued 23 technical reports evaluating VA data bases with economic elements. HERC's courses, consulting service, and health economics Cyber-Seminars have helped to create a virtual department of VA health economics.

Products

HERC course on observational data

HERC revised its course on econometric analysis of observational data. Entitled, "Econometrics with observational data," this seven session course provides participants with a background in econometrics advice on how to choose the method best suited to the research hypothesis. There was a strong emphasis on applied work illustrating the use of statistical software applied to VA data. The class reviewed the five assumptions in the classic linear model, methods for analyzing cost data, research design, and measurement of efficiency. Attendance was strong with many of the classes exceeding the 50-seat capacity.

HERC Cyber-Seminars

HERC conducted nine health economics Cyber-Seminar in FY08, with average attendance of 58 participants per seminar. These seminars allow VA economists to learn the latest methods and to present their research results to their peers. Seminars conducted in FY08 included presentations on the impact of nurse staffing levels and experience on VA patient outcomes (from Ciaran Phibbs, HERC), the effect of the Medicare prescription drug benefit on utilization and cost of drugs (Mark Duggan, University of Maryland), an evaluation of hospice care (Ann Hendricks, Boston HSR&D), an evaluation of second-generation anti-psychotics (Robert Rosenheck, West Haven VA), a study of primary care use by VA patients (Chuan-Fen Liu, Seattle HSR&D), and a presentation from the leader of the association of VA statisticians, Andrew Zhou.

HERC average cost data sets

HERC improved methods it uses to estimate the cost of all hospital stays and outpatient visits provided by VA, and estimated costs of care provided in FY07. This updates a comprehensive estimate of the cost of all care provided by VHA for the last ten years.

HERC estimated the cost of each hospital stay that is reported in the VA hospital discharge file, the Patient Treatment File. The HERC record for each hospital stay provides sub-totals for the cost and length of stay for 10 types of inpatient care. This is valuable for researchers who want to distinguish acute medical surgical cost from the cost of other types of care, such as long-term, psychiatric, and rehabilitation stays. Acute care estimates are based on the relative cost associated with each Diagnosis Related Group, as identified by non-VA hospital stays of veterans. These are adjusted to reflect total VHA expenditures, distributed to groups of patient care departments by DSS. HERC updated the guidebook that describes the methods used to prepare these data sets, the names of the files, and a description of data set variables.

The HERC outpatient database provides an estimate of the cost of each record in the VHA outpatient visits file. HERC improved its estimates for FY07 by incorporating the Medicare rules for discounting physician reimbursements when multiple procedures are provided during the same surgery. The database includes a variable that groups outpatient care into 13 different categories, based on the type of service. HERC estimates the hypothetical reimbursement by Medicare and other payers based on the CPT codes used by VHA to characterize outpatient visits. The file contains fields with this hypothetical reimbursement, and a cost-adjusted reimbursement. The adjustment is based on the actual expenditures of VHA, as reported in the DSS cost allocation. A guidebook documents the methods used to prepare the estimates, describes the variables, provides the name of the file, and sample programs to match cost estimates to utilization data.

Publications

Technical report on VA pharmacy data

Technical report #22 compared DSS and other sources of data on outpatient pharmacy.

Technical report on DSS concordance with VA utilization files

HERC Technical Report #23 confirmed a trend of improving concordance between DSS national data extracts and VA utilization data sets.

Updates to HERC guidebooks

HERC updated its guidebook to data on the cost of care provided by VA contractors. Instructions on how to access data at the Austin Automation Center were updated, as was information on ways to access these data via the reports available at the VA VISN Support Services Center web site. Guidebooks to the HERC average cost data sets were also updated.

VA Health Economics Bulletin

Four issues of the VA Health Economics Bulletin were distributed in FY08. The Bulletin included articles about new DSS outpatient cost files, new fields added to DSS data. The Bulletin announced release of the HERC person-level cost data described methods of studying the cost of telehealth interventions. The Bulletin is also used to announce HERC courses and publications.

Review of economic evaluation of QUERI

HERC authors reviewed economic evaluation of implementation studies and critiqued QUERI economic research. They found that some methods are unique to implementation research and that economic evaluation can be useful at several stages of the QUERI process. They determined that the VA QUERI program applies economic evaluation when implementation interventions are rolled out to multiple sites. QUERI would benefit if economics was considered in choosing best practices and the strategies to implement them.

System Improvements

Improved health economic research environment

HERC has improved the environment for conducting VA health economics studies. HERC created estimates of the cost of VA care. It has prepared research guides to DSS cost data. It has created 21 technical reports. These evaluate VA data on prosthetics, pharmacy, contract care, and labor costs, other data of economic interest. HERC provides two courses, a consulting services, and economics Cyber Seminars. These have helped to create a virtual department of VA health economists.

8.1 Key Services (Table 8)

Key HSR&D Services

During FY08, HERC used Live Meeting software and telephone conference lines to train HSR&D researchers. It taught a new seven-session course on econometric analysis of observational data, and organized nine health economics Cyber-Seminars. HERC operated a consulting service to assist HSR&D and other VA economic researchers. HERC economists served on HSR&D review and advisory panels. HERC helped plan and review QUERI economic evaluations. HERC conducted a survey of HSR&D center principal investigators, to identify economic researchers in preparation of a second survey to identify economic researchers who are able to collaborate as HSR&D study economists.

Key Services to VA/ORD

HERC coordinates the economic activities of the VA Cooperative Studies Program. HERC economists were involved with 13 funded Cooperative Studies in FY08. HERC economists are assisting ORD by the new VA centralized review of human subjects protection and by evaluating data on the role of research in physician retention. They are assisted VA managers with a study of VA compensation and pension examinations.

Key Services to National Non-VA audience

HERC economists acted as reviewers for funding agencies and academic publications. HERC helped organize national conference on best practices in health care cost determination. A HERC economist is co-editing papers from this conference, which are to be published as a special supplement to the journal Medical Care.

HSR&D

HERC health economics training

HERC provides a seven-session econometric methods course in FY08. HERC coordinated an additional nine health economics Cyber-Seminars.

HERC consulting service

HERC responded to 135 requests for assistance from HSR&D researchers, other researchers, VA managers, clinicians, and others. These requests varied from simple explanations of economic data elements to more complex requests to assist in the review or planning of studies.

HSR&D review and advisory bodies

HERC health economists served on the steering committee for the HSR&D Evidence Synthesis Program, the steering committees of an HSR&D REAP center, on a resource center technical advisory committee, and on the steering committee of the HSR&D Cyber-Seminar initiative.

HERC economists participated in the HSR&D Scientific Merit Review Board, in REAP and TREP steering committees, and in Resource Center advisory committees.

Contributions to QUERI initiative

The HERC consulting service helped planned QUERI economic evaluations. HERC economist Mark Smith participated in the QUERI R&M committee center reviews. A manuscript describing economic analysis in implementation studies was published. Mark Smith chaired the advisory board of the Mental Health QUERI ReTIDES, a study to improve the quality of VA care for depression. Paul Barnett served on the executive committee of Substance Use Disorders QUERI.

Identification of HSR&D economic researchers

HERC surveyed HSR&D Center Principal Investigators to identify economics researchers.

Other VA/ORD

Service to VA Cooperative Studies

HERC planned economic analysis for three new VA cooperative studies. One new study was approved for funding. HERC investigators serve as economists on eight VA Cooperative Studies that are actively recruiting patients, and are analyzing data from four studies in the final analysis phase. HERC coordinated the economic division of CSP. HERC economists assist with the operations, policies and procedures, and biostatistics divisions of the program.

Service to ORD

HERC economists are undertaking several evaluations in response to research questions raised by ORD. Todd Wagner is evaluating the new VA program for centralized review of protection of human subjects of research was approved. Mark Smith is evaluating data to understand the role of research in the retention of VHA physicians.

Service to VA managers

HERC economists are undertaking several evaluations in response to research questions raised by VA managers. Patsi Sinnott is helping to evaluate the effectiveness of usual care compared to a standardized method of conducting VA compensation and pension examinations for PTSD.

National (non-VA)

Standardized Costing Conference and Supplement

HERC economists worked with economists at two other federal agencies to plan a conference on the state of the art in estimating health care costs. Paul Barnett is a co-editor of the special supplement to Medical Care that will feature 22 papers from the meeting. These papers are now under peer review.