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HERC Releases FY2004 Person-Level Cost Data

Each year HERC creates a dataset that sums annual costs for each person who used the VA Health Care System in the prior fiscal year. The costs are derived from HERC average costs for inpatient and outpatient care, supplemented by DSS outpatient pharmacy costs. The datasets feature total costs using both local and national HERC average costs. National costs are further divided into five categories of inpatient care and four categories of outpatient care. The person-level data cover FY1998-FY2004 and are stored at the VA Austin Automation Center. For detailed information, please write to Shuo Chen at herc@va.gov. The data are described in a guidebook entitled [Guidebook for the HERC Person-Level Cost Data Sets FY1998-FY2003](#), available for download from the HERC web site.

New Technical Report: Fee Basis Data

VA will reimburse services from non-VA providers when appropriate VA care is not available, when non-VA providers can offer care more economically, or when it is medically infeasible for a patient to reach a VA facility. Such care falls under the Fee Basis program. Claims from non-VA providers under the Fee Basis program are stored in a set of national utilization and cost files. Economist Mark Smith and research associate Adam Chow have written a technical report that describes the contents of the Fee Basis data and offers recommendations for their use. Entitled [Fee Basis Data: A Guide for Researchers](#) (HERC Technical Report #18), it may be downloaded from the HERC web site.

Revised Guidebook on DSS NDEs

HERC has updated its Guidebook to the core DSS National Data Extracts (NDEs) to cover data through FY2004. The update incorporates revisions made by the DSS Decision Support Office. The guidebook may be downloaded from the HERC web site at: http://www.herc.research.va.gov/files/book_367.pdf.

Changes in the DSS Outpatient NDE

DSS has made important changes to the Outpatient (OPAT) NDE. Many new variables have been added. Cost subtotals by category have been moved from OPAT to the new Outpatient Intermediate Product Department (IPD) file. HERC plans to document the IPD file in a future guidebook. For more information, write to Ciaran Phibbs at herc@va.gov.

DSS Intermediate Product Department (IPD) Data

DSS has developed a new National Data Extract (NDE) that reports the sum of costs within "intermediate product departments" for each health care encounter. These data provide significantly greater cost detail than the encounter-level NDEs, although they cannot be used to determine the cost of individual intermediate products. The IPD files are stored at the Austin Automation Center. To obtain the file names, write to HERC at herc@va.gov.

Staff Update

HERC welcomed research assistant **Andrew Siroka** in March. He recently earned a Bachelor's degree with honors at the University of Michigan.

Research Associate **Yesenia Luna** left HERC in January, 2006. With support from the VA Program Evaluation and Resource Center (PERC), she made signal contributions to economic analyses of substance use treatment.

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HERC Cyberseminar Archive

HERC cyber seminars are recorded and can be accessed through the HSR&D website. The recorded cyber seminars include both the audio and video portions from the live presentations.

Cyber seminars recorded in 2005 can be accessed at <https://hsrd.webex.com/>. To view the full list, click on "recorded sessions" in the left column. Seminars recorded in 2006 can be found at http://www.hsrdr.research.va.gov/for_researchers/cyber_seminars/ by clicking on "View Archives."

A list of all HERC cyber seminars is available at http://www.herc.research.med.va.gov/resources/training_seminar.asp. The recorded cyberseminars cannot be accessed at this site, but slides used in the presentations are available there for download.

Invitation to Join HERC Focus Group

Experienced VA economic researchers are needed to help HERC set plans for the next five years. HERC is convening 90-minute-long focus groups to obtain input on potential new products. The groups will be conducted via teleconference using the HSR&D cyberseminar system. Participants will be presented with new product ideas and asked for their opinion about which of these would be the most valuable to their own studies. The focus groups will be convened in May 2006. For more information on how to participate in one of the strategic focus groups, please contact HERC administrator Sharon Abas at herc@va.gov.

HERC 2004 Outpatient Average Cost Data

Starting in FY 2005, the NPCD SE file was modified to allow more complete recording of CPT procedure codes. Austin Automation System staff retrospectively created a FY2004 version of this expanded SE file. Thus, for FY2004 only, the HERC Outpatient Cost File does NOT link to the regular SE file. Instead it links to the revised file: MDPPRD.MDPSAS.REVISED.HERC.SE04. If you have questions about the change, write to Ciaran Phibbs at herc@va.gov.

New Journal: Implementation Science

The HSR&D QUERI program promotes implementation of evidence-based practices throughout the VA system. HSR&D provided foundational support for a new open access journal, [Implementation Science](#), which focuses on the emerging field of implementation studies.

HERC Presentation at the Network Director Poster Session

A study on variation across VISNs in end-of-life medical treatment and cost was presented as one of the 21 posters at the Network Director Poster session of the VA HSR&D National Conference on February 15, 2006. The study, led by HERC economist Wei Yu, found that a significant proportion of the observed variation in cost and medical treatment across VISNs was due to differences in age, race, medical condition, and use of Medicare services. After adjusting for those factors, however, the total cost of the most expensive VISN for an average person during the final year of life was still nearly 50% higher than that of the least expensive VISN. Contact Wei Yu at herc@va.gov for detailed information.