



Center Executive Summary

Health Economics Resource Center
Director: Todd H. Wagner, PhD

The mission of the HSR&D Health Economics Resource Center (HERC) is to increase the quality of VA health economics research and cost-effectiveness studies. HERC provides courses on health economics and econometrics, Cyber Seminars, and consulting services. It estimates the cost of all VA health care encounters, creates databases from DSS cost data, develops and maintains guidebooks to VA financial and health services cost data, issues technical reports with analyses of economic data, issues a bulletin to provide news to customers, and maintains a list of economists interested in collaborating on VA studies. The expertise of HERC economists is developed in their participation in economic studies funded by VA HSR&D, the QUERI program, the Cooperative Studies Program, the National Institutes of Health, and others.

Summary of 2014-2018 Strategic Plan

This strategic plan addresses challenges facing the VA and U.S. health care system. Among these are the conflict between funding limits, the cost of new technology, and the needs of an aging population. VA will be challenged to compete with alternative sponsors as the Affordable Care Act comes into effect. Other challenges are the increasing number of women Veterans, an increased emphasis on mental health care, specialty needs of returning Veterans, the choice of whether make or buy care, and a constrained federal budget. VA health services research will be conducted by a new Centers of Innovations (COINs) and will need to be conducted in a new information technology system (the CDW-VINCI). In response, five goals are proposed for HERC: train and advise researchers, create and document cost datasets, document other datasets and methods needed by economic researchers, disseminate HERC products, and increase the relevance of economics research to Veteran health care.

Goal A. Train and advise researchers. HERC will develop new products to meet the needs of aspiring economic researchers. It will identify and address the needs of the new CREATE and COIN centers. It will continue to teach courses in cost-effectiveness and econometrics, offer workshops, and provide consulting services.

Goal B. Create and document cost datasets. HERC will update its cost databases and the guidebooks to these databases. These include standardized estimates of the cost of VA hospital stays and outpatient visits, annual person-level costs, a discharge-level database of inpatient costs derived from the DSS

inpatient data, a facility-level index of relative labor costs, and a database of labor cost by employee type.

Goal C. Document other datasets and methods. HERC will update guidebooks to DSS data, data on purchased care, provider data, geographic data, and micro-costing methods.

Goal D. Disseminate HERC products. HERC will update its Internet and Intranet websites, publish the quarterly HERC Bulletin, and conduct seminars on newly released HERC products.

Goal E. Increase the relevance of economics research to Veterans' health care. HERC will coordinate needed expertise and initiate new projects to answer economic questions asked by VHA program offices and QUERI. HERC will promote de-implementation and efficiency studies to help VHA increase the value of care. HERC will identify and promote economic research especially relevant to VHA needs.