Cyberseminar Transcript

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Session: Introduction to HERC Services

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Dr. Paul Barnett: I'm Paul Barnett. It's my pleasure to introduce our speaker today, who is Elizabeth Gahlert. She has worked at HERC and been a project manager and research associate and helped a lot with the research center, really a valuable person, and we're very pleased to have her make this presentation today. She has her master's in public health from the University of Southern California, and I think we'll get a good overview of what's going on and what you, what help you can get from HERC.

Ms. Elizabeth Gahlert: Thanks, Paul! Hi, everyone! I'm Ms. Elizabeth Gahlert, as Paul said, and today we're going to give you a brief introduction to the products and services that HERC offers, and then save the remaining time for questions about economics-related data at the VA or other HERC-related questions you might have. We're going to get started first with two poll questions to give us a better idea of who's on the line right now. The first question is how often have you used HERC resources including...

Heidi: Elizabeth?

Ms. Elizabeth Gahlert: Yes.

Heidi: Elizabeth, I'm going to apologize profusely. We had some staffing mixups earlier today and I did not get these set up. I apologize profusely. I do not have either poll question set up. I'm so sorry.

Ms. Elizabeth Gahlert: Can we just go through them?

Heidi: If you want, you can have people use the questions to respond. If people want to send any pretext information in or I can set them up and we can get back to them later if you would prefer.

Ms. Elizabeth Gahlert: Paul?

Dr. Paul Barnett: Why don't we circle back to this?

Heidi: Sounds good.

Ms. Elizabeth Gahlert: Great. Well, we'll skip ahead. So a brief history of HERC, the Health Economics Resource Center, or HERC, was created in 1999 to respond to a VA Health Services Research and Development request for proposals to create a resource center on health economics. We are located in Menlo Park, California, as part of the VA health, Palo Alto Health Care System, and we have a staff of 23 including PhD economists, data analysts, research associates, and an administrative officer.

HERC's mission is to support the economic research of HSR&D in order to increase healthcare efficiency and value for Veterans in the nation. We do this through core work which includes the following goals. Training and advising researchers through our annual cyber courses and the consulting service; making VA economic data sources accessible to researchers through guidebooks and technical support; creating seven new economic datasets each fiscal year; disseminating economic methods and economic findings through the HERC website and quarterly newsletters; and helping HSR&D identify and answer questions that are important to VHA through economic seminars and work groups of timely topics, including VHA operations, users, and researchers.

Today we're going to talk about those core areas in three different sections. We'll talk about HERC datasets, HERC documentation, HERC courses and seminars, and wrap up with the HERC consulting service.

So each fiscal year, HERC creates seven different economic datasets. You can see these listed here. We're going to briefly go through each of them, and at the bottom you'll, of each slide, you'll see a link to where you can find additional information.

The HERC inpatient average cost data are created each fiscal year using the Managerial Cost Account data, or MCA, Treating Specialty File, and the Medical SAS inpatient files. There are three files created each year, a medical-surgical file for acute medical-surgical discharges; a non-medical-surgical file for rehabilitation, mental health, and long-term care discharges; and a discharge file with all hospital stays from the fiscal year. If you're interested in more information about the methods or the specific variables in these files, please use the link at the bottom to see the HERC guidebook. I will mention if you go to the HERC website, we're in the middle of transitioning our publications from PDF to HTML web pages, so you'll see a combination of both.

The HERC outpatient average cost data are cost estimates for each outpatient encounter using the MCA outpatient file and the Medical SAS outpatient files. There's three cost estimates created each year, including the HERC value, which is a hypothetical reimbursement cost using Medicare methods based on the Current Procedural Terminology codes, or CPT codes. There's a national cost estimate, which is the national cost of a visit using CPT code and the clinic type; and the local cost estimate, which takes the national cost and adjusts it to reflect the local cost at the medical center. You can link the HERC Outpatient Average Cost data to the Medical SAS outpatient data to include more information about demographics, specific locations of care, services provided, and diagnoses for the patient.

The per person-level cost file includes total annual cost for each individual who used the healthcare system, which includes five categories of inpatient care, four categories of outpatient care, total pharmacy costs, and total non-VA costs which have also been called fee basis costs, purchased care costs, or community care costs.

HERC also creates an MCA discharge file with costs of total visits identical to the MCA discharge file, but we add the cost and length of stay subtotals for 11 different categories of care.

We're going to take a sidestep here to talk a little bit about the difference between the HERC cost data and the MCA cost data just so there's a little more clarity. The MCA cost data reflects the local variation in production efficiency and labor cost, and they're more of a raw data set so they would need to be reviewed for any abnormalities or inconsistencies that might stand out. But we feel that these are the best data source for studies of VHA efficiency.

The HERC cost data have been groomed a little bit more. They assume that outpatient costs are proportional to Medicare reimbursement rates, that inpatient costs are proportional to the medical, Medicare DRG weight and are adjusted for the length of stay. But they do not capture cost differences due to local efficiencies. You should see fewer data abnormalities or outliers, and we feel these data will be more useful for studies that wish to be generalizable outside of VA.

Another way of thinking about this is a top down versus bottom up costing approach. HERC takes a national cost and uses relative value weights to create a cost per encounter whereas the MCA uses activity-based costs and rolls them up for a bottom up approach. And it's important to note that the MCA and the HERC data are highly correlated. If you'd like more information on the differences between MCA cost data and HERC cost data, we have an archived seminar. You can see the link here. And it will go into a lot further detail about each data source and the differences between the two.

Dr. Paul Barnett: So, Elizabeth, Heidi has fixed the poll, so we can circle back to that if you like.

Ms. Elizabeth Gahlert: Ok. Let me...

Dr. Paul Barnett: Now we can ask people if they know about those, have experience with those things.

Ms. Elizabeth Gahlert: Right.

Heidi: Just pretend Elizabeth has not presented anything yet.

Ms. Elizabeth Gahlert: Our first poll question is how often have you used the HERC resources including guidebooks, datasets, and our website. These selections include frequently used, occasionally used, never used, or not aware of any HERC resources.

Heidi: And responses are coming in. I'll give everyone a few more moments to respond and we'll go through the results here. It looks like we're slowing down, so I'm going to close that out. And we're seeing 10% of the audience saying that they frequently use HERC resources, 18% occasionally use, 30% never use, and 43% are not aware of any HERC resources. They are in the right place for this session, then! Thank you, everyone!

Ms. Elizabeth Gahlert: Great! And Heidi, is the next question also ready?

Heidi: Yes, it is.

Ms. Elizabeth Gahlert: Perfect. So poll question #2 is which HERC resources have you used? For those of you who have used resources, please select all that apply. The guidebook, datasets, the website, consulting service, or you're not aware of any HERC resources.

Heidi: And again, everyone, we'll give everyone a few more moments to respond before going [inaudible 9:47] questions here. Looks like we have slowed down, so I'm going to close it out. Okay, we're seeing 23% of the audience saying that they have used the guidebooks, 15% have used datasets, 25% have used the HERC websites, 3% have used the consulting service, and 65% saying they're not aware of any HERC resources. Thank you, everyone.

Ms. Elizabeth Gahlert: Great.

Dr. Paul Barnett: And so before we go back, I was just wondering, Heidi, if you could introduce people to the question box. They may not be aware. So we will try to open the lines later on, but while the talk is going on, you're able to submit a question.

Heidi: Yes. So there's a question screen on that dashboard on the right-hand side of your monitor. If that has collapsed against the side of your screen, just click on that orange arrow and it will open that back up. Please type those questions in when they come to you. We are hoping to open up some of the phone lines, but it's great to have those questions in the queue so we can get that conversation started with that.

Dr. Paul Barnett: Already having a little bit of buzziness with just three phone lines open, so we'll see.

Heidi: Yes.

Ms. Elizabeth Gahlert: Great! Thanks, everybody, for participating in the polls. We're going to jump back into talking about the HERC datasets. The next datasets that HERC creates is the Wage Index, and it's a combination of the Medicare wage index and additional VA specific data from the VHA Support Services Center, or VSSC, and the file creates wage adjustments for VA facilities based on geographic wage area. And you can use this file for determining the cost of providing a new intervention, using the amount of time and type of staff that it used in the intervention. The trial, yes?

Dr. Paul Barnett: Pardon me for interrupting, Elizabeth. We are still on the poll. I am anyway, at least on the website, and so Elizabeth's desk is not being shared.

Heidi: I'm just going to try to keep, yeah, I'm seeing [inaudible 12:08] wasn't sure if it was just me, [inaudible 12:10] again.

Ms. Elizabeth Gahlert: Now do you see my screen?

Heidi: Yeah.

Dr. Paul Barnett: There we go!

Heidi: Citrix upgraded some of their services in the last week or two, so we've just had a few things like that going on, but it looks like we are back to your screen now, Elizabeth. Thank you.

Ms. Elizabeth Gahlert: Okay. So there is a guidebook on our HERC website, and the dataset, this Wage Index, is an Excel file that you can directly download from our website as well.

Dr. Paul Barnett: So I think the prior slide about the Wage Index, so this is a relative cost of wages, so on average people have one, or is it 100, I think, is the index, and so it tells you whether your particular site is higher than lower. So it's a good way to adjust for differences in wage. The bullet that says use for determining cost of providing a new intervention, that actually belongs on the next slide. I'm sorry that we got those a little bit scrambled, which is the labor cost, which, go ahead please.

Ms. Elizabeth Gahlert: Thanks, Paul. And Paul started the conversation about our next dataset, which is the Labor Cost dataset. It combines the salary and benefits information from the MCA Account Level Budgeter Cost Center and the Financial Management System into one Excel file so you can see the difference. Labor cost by budget object code, which is a classification system that the federal uses for specific items or services.

Dr. Paul Barnett: So like I have used this in studies. I have some intervention that says that it takes some nurse time or some social worker time or psychologist time, and I say ahh, well, on our end costs $85 an hour when you consider all the benefits and vacation time and everything else that's involved. So that's, this would get you out a path to figure that out.

Ms. Elizabeth Gahlert: Alright. And the last file that HERC creates each year are the Nosos Risk Scores. These are based on the Center for Medicare and Medicaid Services version 21 Hierarchical Condition Categories, which V21 uses age, gender, and diagnosis code to generate a risk score. HERC has adapted the V21 to be more VA specific by including mental health and substance use disorder diagnoses, VA pharmacy use by drug codes, VA priority status, registry status, other insurance use, and total MCA and fee basis costs. The final file includes a risk score for each patient per fiscal year, and it can be used to adjust for individual patient risk when comparing treatment for health outcomes.

If you are interested in using the HERC data, we highly suggest you visit the VHA data portal, which is the VA intranet, right, to see the specific data request process use. And we are able to offer researchers and operations users access to our data, but we are unable to offer access to preparatory to research requests.

We'll move onto HERC documentation. Most of our documentation is found on the HERC website, and we have two different sites. We have our internet site, the www URL. Then we have the HERC intranet site or vaww site. They're generally the same, but there are some VA specific and sensitive pieces of information that can only be allowed on the intranet site. So if you're looking for the full experience, I would highly recommend you use our intranet site.

We're just going to briefly look at a few screenshots of how to navigate our website. What you're seeing here is the HERC home webpage, and to navigate to a specific data type documentation you would use the left-hand scroll bar, dropping down from data to data types. You could then select Inpatient, Outpatient, Pharmacy, Labor Costs, or Other data. If you're looking for a specific data source, you would also drop down the data menu and then select Sources. From there you can select HERC Average Cost Data, MCA, Non-VA, or FMS data. If you are looking for methods, you can use the same process for getting there but select Methods and then under Decision Analysis or Determining Costs select a finer level of detail.

On our website you'll find pages, but you'll also find most, the majority of our information in either a guidebook or a technical report. Our guidebooks include information about both methods and datasets. And the method books are updated a little more infrequently, only as we find new information that needs to be included, whereas our guidebooks on datasets are constantly evolving and being updated on the methods used to create the files and the variables that are included in each of these datasets. Some examples include the microcosting methods guidebook, the guidebook on the MCA cost NDEs, and the guidebook on fee basis data.

We also include information on technical reports, which are one-time discreet findings. Examples of these include updating the mental health or substance use disorder groupers for ICD-10, how to use instrumental variable with VA data, and how to use VA health records data for research.

If you are looking for the HERC guidebooks, you'll use the left-hand navigation panel to select Publications and then specifically select the Guidebooks tab, or you can use the clickable link at the bottom of the slide. If you're looking for HERC technical reports, you'll also select the Publications section and then navigate to the Technical Reports.

Alright, HERC courses and seminars. Heidi, is this poll possibly ready or should we skip that?

Heidi: I missed that there was another one. If you could skip past it, please, we can...

Ms. Elizabeth Gahlert: Sure.

Heidi: ...circle back if you...

Ms. Elizabeth Gahlert: Yeah. Alright. So HERC offers two different cyber courses. We offer a course called Econometrics with Observational Data and another course called Cost-Effectiveness Analysis with VA Data. We offer one course each year, typically starting in the late winter, early spring, and we alternate. The sessions are held on Wednesdays beginning at 11:00 Pacific. We're currently running our Econometrics with Observational Data course, which is intended to provide an introduction to econometric methods used to analyze data in health services research, and we assume that the attendee has the knowledge of basic probability and statistics and familiarity with the linear regression model. We are currently halfway through our course, and our next session is next Wednesday on Fixed Effects and Random Effects. If you'd like more information on this course, use the HERC website and select the Courses and Seminars section and then select the Econometrics Course.

We also offer a 12-session Cost-Effectiveness Analysis with VA Data course, which is an introduction for researchers to conducting cost-effectiveness analysis and budget impact analyses. And it provides an overview of the decision analysis landscape and the methods needed to operational [xxxx 21:01] the cost effectiveness and budget impact analyses. We offered this course last spring. There are archived versions of the slides and the presentations on HERC website. And we will be offering this course again in the spring, winter or spring of 2018. If you'd like more information on the cost-effectiveness analysis course, use the HERC website, select Courses and Seminars and navigate to the Cost-Effectiveness Analysis Course.

We also offer a monthly economics seminar. They're mostly on timely topics ranging all over health care. They're the third Wednesday of each month beginning at 11 p.m., 11 a.m. Pacific, excuse me. If you're interested in seeing what's coming up, you can click here on, you see the HSR&D link. You can also use the HERC website, navigating from Courses and Seminars to the HERC Seminars.

Finally, we have HERC consulting...

Heidi: Elizabeth, I've got that poll. Elizabeth, I've got that poll question if you want to do that.

Ms. Elizabeth Gahlert: Perfect. Yup, that's great.

Heidi: So the question here, have you ever attended one of HERC's cyber courses or seminars? And I set it up for select one, which I should not have done. I don't think it's going to let me edit that now. Oh! It's been kind of a crazy day around here. But I can kind of see where things are kind of headed with the responses here anyway.

Ms. Elizabeth Gahlert: Ok.

Heidi: So I'll give everyone just a few more seconds and we'll go through what I am seeing here. I apologize for those of you who have attended, and I know a lot of people attend multiple sessions. I see that in the registrations that are coming in. And it looks like we've slowed down. I'm going to close that out. And what we are seeing is 15% of the audience saying that they have attended the Cost-Effective Analysis Course, 21% the Econometrics Course, 10% the monthly HERC cyber seminar, and 54% saying that they have never attended a HERC course or seminar. Thank you, everyone.

Ms. Elizabeth Gahlert: Thanks, Heidi. Well, thank you for sharing that information. We highly recommend our courses and seminars, so feel free to hop on over to the website.

The last section that we'll be talking about today is the HERC consulting service. We are able to help with a lot of different requests, including discussions on the type of analysis you might need for a future project, answering economic dataset-related questions, providing resources to use on an economic project, and discussing potential collaborations on a project. Unfortunately, we cannot run your data analysis for you. If you would like to work with a health economist, you'll need to discuss your project specifics with HERC before submitting the proposal. And this includes information on the scientific questions you'll need to answer; your expected outcomes; what type of economic data you anticipate using, whether you are doing collect, data collection or whether you'll be requesting existing data from sources such as the Corporate Data Warehouse; and how much time you anticipate the economist will need on the project.

If you would like to collaborate with a HERC economist or if you would like information from our consulting service, please email us, HERC@va.gov. We also include a resource on our website which is the expert list, and these are other VA staff who are economists or have advanced training in economics.

And that is the end of my portion for today. We're now going to open up the rest of the time for questions and answer session.

Dr. Paul Barnett: Why don't we spend, yeah, I was going to suggest that if people want, let's try first for, because we do have a good half hour to spend on questions to see if people can submit some questions in the question box. And then, you know, we'll, when we exhaust that then we'll open up the lines. I'm just worried that if we immediately open up the lines that it might, we do have 60 people and so we're, we might be at the mercy of one person who's got a, you know, troubles with connection. So let's try the other way first and then we'll try opening it up. That makes sense. So if you have some questions, there is that question box off to the right. I don't see any yet, so feel free, you know, if there's a particular thing that you would like some more, more thoroughly described or perhaps you have a particular research project that you're thinking of or conducting that you'd like to ask a question about. We'll give people a moment or two to type. How can we get the slides today? That's an easy question. There's a couple of ways. Heidi, you want to tell the HSR, you can get it, you can find them on the HERC website under HERC Seminars. But there's a way...

Heidi: Yes. The easiest way, typically, is we always, we send a reminder out usually four hours before the session starts, and we try to always include a link to the slides in there. So I'm going to send that link out in the questions box so everyone should have received that right now. But we always try to include that in the reminder that is sent out before the session. And then we record all of our sessions and we include a link to the archives in email a day or two after the session, and that link will also link right to those handouts. You can get that two different ways. We email that out to you.

Dr. Paul Barnett: Well, people are shy about asking questions here. Maybe we'll experiment with opening the lines then. Here's another one. Please describe the consulting service more. And Elizabeth, you want to take a trial at that?

Ms. Elizabeth Gahlert: About the consulting service?

Dr. Paul Barnett: Yes.

Ms. Elizabeth Gahlert: Well, so the consulting service is really there to answer questions that may come up either in the planning process or, of a project, or maybe you're mid analysis using economics data and you're lost or there's a variable you don't understand that's in a data, HERC dataset or MCA dataset. So that would be the most basic type of question I would see on the consulting service. Usually it's economic dataset-related questions, how to link things together.

Dr. Paul Barnett: Yeah, I would say so. People can write to HERC@va.gov, our email, to HERC@va.gov, and it will get to the economist on duty. And I would say most of the questions start out as I would like to do some sort of economic evaluation. How do I go about it? And so we try to direct folks to the information, to fashion analysis and then, you know, try to start from a basic thing. What is it that you're trying to determine, and then what data do you need to answer the question or does it even make sense to do that analysis. A lot of people write in, you know, say I want to do a business case a return on investment, which are things that, you know, to justify a particular program. And we're really not wild about those sorts of, you know, people trying to say that their program is great. And so that's one thing I think that, it's hard to do an evaluation of your own stuff, and I think it's more important to do independent evaluations, you know, that it will be perceived as more objective. That said, we are happy to help people who are developing evaluations and suggest the data sources and methods that they can use, and that's usually what's involved. A lot of times economists are really triaging your request to the person in our center who is best able to answer.

There are some additional questions coming in. Great! So someone wrote I have identified emergency department visits, inpatient stays, and nursing home stays for a cohort with N equals 241. What are the next steps associated, the next steps to find associated costs? And that's from Jennifer Lindquist. What would you say, Elizabeth?

Ms. Elizabeth Gahlert: Identifying costs for specific patient, so...

Dr. Paul Barnett: So there's kind of two paths, right?

Ms. Elizabeth Gahlert: [Inaudible 31:20] specific.

Dr. Paul Barnett: So they were talking about inpatient, ED or emergency visits, nursing home stays. So there's kind of two paths, right? It's a question of whether you use the HERC costs or the MCA cost.

Ms. Elizabeth Gahlert: MCA.

Dr. Paul Barnett: And so that's, we now have a kind of an embarrassment of riches because we have more than one type of cost. You have the slide that compares them?

Ms. Elizabeth Gahlert: We're looking at the top down versus bottom up?

Dr. Paul Barnett: Yeah. Right, but I think there's another. Don't we, didn't we create a slide that we said that, well he's at, yeah. So this is MCA is best if you're looking at efficiency, so that's the last bullet, and the HERC costs are best if you're trying to make study findings generalizable outside the VA, and also if you want to minimize data abnormalities. So it's kind of, so it depends, which you use kind of depends on your goal. And you know, we have to know more about your study to make a recommendation there. Once you do that, you create some sort of finder file that has the person involved and the utilization involved and then that can be matched to the HERC data or you can just take the person involved and the dates involved and get it out of, get the information out of the MCA data.

So if you think about, you know, an emergency visit, for example, department visit would be, are you going to capture just what, or the procedure codes that were assigned to the visit or for MCA they're going to tally up every lab test and supply used in that emergency visit. So it would be quite a bit more variance in the values, quite a bit more variation.

For nursing homes, they're probably, the two sources are almost identical because all we really have is the MCA data. The differences in HERC would use some sort of average daily rate for the HERC, nursing home cost. Inpatient stays, again, there would be more variation in the MCA data. So it all kind of depends on whether you're interested in capturing that extra variation. For example, if you're interested in the efficiency and services or whether you have some other goal in mind.

So then there's a question what's the relationship between HERC and VINCI?

Ms. Elizabeth Gahlert: The HERC...

Dr. Paul Barnett: I have used...

Ms. Elizabeth Gahlert: ...data are on the...

Dr. Paul Barnett: Let me just finish. HERC per person data by year. What additional HERC data is or will be available at VINCI.

Ms. Elizabeth Gahlert: As far as I'm aware, the HERC cost data including the person level are at VINCI already, and you would need to use the appropriate request process whether it's start for research or the [xxxx 34:43] form for operation.

Dr. Paul Barnett: Right. And so the HERC data, you know, there is a little bit of confusion here. We have these HERC average cost data, which are the slide that's up now, and the next slide, and maybe flip to that, Elizabeth, the MCA data. So they're all, all of those data are at VINCI. And what's a little bit confusing is HERC has also created some tabulations of the MCA data to make them easier to use. So, but all of those things are available at VINCI, and they should be available in your DART application request, tick boxes or a tick box that's other and you can describe it. And let us know if you have any trouble finding those datasets.

Ms. Elizabeth Gahlert: And you're best...

Dr. Paul Barnett: There you go.

Ms. Elizabeth Gahlert: ...resource would be the data, VHA data portal includes, there's a page for HERC cost data and it itemizes each file that HERC creates and what request process includes.

Dr. Paul Barnett: And then the next question we have is I heard that HERC will be providing cost to the OMAP model in VINCI. Is that correct? And is there an anticipated data, when the cost data will be finalized in VINCI OMAP. Well, there's a, that one stumps me. I guess I don't know what OMAP is, and it could be, is this one of the operations projects that are being done with the, gee, I just don't know the answer to that one.

Ms. Elizabeth Gahlert: I don't know the answer.

Dr. Paul Barnett: Cost to the OMAP model. I guess I don't know what the OMAP model is. I think there are things that HERC does for operations, usually not about measuring costs, but it's that case mix dataset that is the, one of the projects that HERC does for operations. HERC has also created some cost datasets for different services, women's health initiative, geriatrics, but I'm not aware of this OMAP model. So I'm, this [inaudible 36:58] Smoky, if I'm saying your name right, maybe you could contact us offline and we could get it to the right person to answer that question. Again, emailing HERC at...

Ms. Elizabeth Gahlert: VA dot com.

Dr. Paul Barnett: Yeah, excuse me, VA dot com. Any other questions? Well, not yet. Maybe, Heidi, we can experiment with opening the lines and see if we can start a discussion.

Heidi: We can. For the audience, if you have a question, if you'd like to speak up, please either raise your hand in GoToWebinar. The way to do that, on that dashboard on the right-hand side of your screen there should be, kind of looks like a hand, it's kind of, kind of a little bit not quite so hand looking, it's a little bit more of a line drawing. Use that to raise your hand. If you do want your phone line unmuted, you would need to, if you are [xxxx 38:22] in the phone, you would need to use your audio pin. So that's available in the audio portion on the dashboard. Or if you are using VoIP, you would need to be sure you have a microphone. So I'm looking to see, looking for any raised hands. I don't see any right now. If there's anyone you'd like to call on, Paul, you could also do that.

Dr. Paul Barnett: Oh, that's an interesting idea.

Heidi: Yes!

Dr. Paul Barnett: I even see some HERC staff here. They shouldn't need too much orientation. Well, maybe we can get...

Heidi: There's [inaudible 39:10].

Dr. Paul Barnett: Maybe we can get Clara [inaudible 39:11] if I could say her, if I'm saying your name right, [xxxx 39:15] to correct my spelling of her name and tell us what the dataset that she's interested in is about, that model that she's interested in.

Heidi: Well, I just sent her her audio pin. If she puts that into her telephone, then I can unmute her line and we'll be able to open that conversation here. Clara, to do that you just, on your telephone keypad you just dial pound, that pin number, and then pound again, and we'll be able to open up your phone line. And for everyone else, guys, this is a great opportunity to get some questions answered from some HERC staff members.

Dr. Paul Barnett: So...

Heidi: Got their full attention here, so take advantage.

Dr. Paul Barnett: Well, maybe I'll just riff a little bit. I think that a lot of what HERC got started about was attempting to figure out what the stuff that we provide to Veteran patients in VHA, what does it cost. But there's really a wealth of other issues that need to be addressed to figure out if care is sufficiently valuable to justify, so new interventions are sufficient, deliver sufficient value to be justified. And that's really what the cost effectiveness work is about. So typically is there enough benefit to justify the cost, and so that involves not only measuring the cost but also the benefit. And so one of the things that may be of interest to you if you're doing a cost effectiveness study is there is a HERC guidebook on how to measure patient utilities or the quality-adjusted life-years, a preference-based health outcomes. And so that guidebook would let you know that there are different survey instruments that can be used to figure out exactly what a, what's the quality adjustment that needs to be applied to the years of life that are, result from a particular intervention.

So, and the cost effectiveness course also gets into this. The idea that we could do an evaluation of a new intervention compared to standard care and think it's worth doing if we can get an additional quality-adjusted life-year for less than some arbitrary threshold of like $100,000 per additional quality-adjusted life-year. So the actual threshold is not well defined, but we have some idea that if its much less than $100,000 it's worth doing in the US healthcare system. Lower thresholds than other countries. So that's the whole area of cost effectiveness, and I'll just say it's not just about measuring costs. It's also [xxxx 42:11] at the outcomes and that we need to be concerned about the outcomes over the patient's life, and that may require some sort of model of what's going to happen in the future. So those sorts of things get discussed in the cost effectiveness course.

No hands yet waving?

Heidi: None yet.

Dr. Paul Barnett: Or new questions? Now. Then the other thing I would...

Heidi: So Paul, there's a new question that came in I think.

Dr. Paul Barnett: Oh, yes, ok. Right. This one was how do we access that guidebook? So we're in the, about the patient preferences presumably. So, Elizabeth, can you navigate to the HERC website? There you go.

Ms. Elizabeth Gahlert: On my computer, I can show you...

Dr. Paul Barnett: Well, we'll just do...

Ms. Elizabeth Gahlert: ...a screen shot.

Dr. Paul Barnett: Just show your screen shot. Yeah, there you go.

Ms. Elizabeth Gahlert: Where is it? Here we go. You can either navigate...

Dr. Paul Barnett: So if you go to Publications...

Ms. Elizabeth Gahlert: ...at the bottom. Publications and then Guidebooks, or you can type this URL in. I'm not sure if it's clickable in the notes.

Dr. Paul Barnett: And the, it turns out that on the guidebook page it's the very last guidebook listed. And I see that Vilija Joyce is one of the authors of the guidebooks. She's on the call and she's also done a lot of work with us in various clinical trials and measuring preferences in some of our publications.

And there is a search strategy in the guidebook about how to, how do you figure out which is the best method to use for your study. And one of the, I think, intriguing things that we did there is we realized that some studies, you know, they have, they're gathering information on outcomes using some sort of disease-specific measure, and the question is how can you get qualities out of this disease-specific measure. If you don't happen to use one of the standard economic preference questionnaires, you may still be able to figure out what the qualities are using your disease-specific quality of life questionnaire, and there may be a way to map those to qualities, and so this discusses how you might find a study that's done that mapping, and so just a little nuance on that measuring outcomes.

And so the other thing I would say, just again, just kind of talk a little bit about the, economics is not simply about measuring costs, is that economists have a lot of tools that can be used to conduct statistical analysis that are very useful toward the kind of observational studies that we do in the healthcare system and health services research. And I think the reason that economists have become experts in this is because in, and that is the analysis of observational data, is because in economics we don't, we rarely have experiments like clinical trials where half the people get randomized to one economic policy and half the people to another economic policy. We have to make inferences about just what, observing what does happen in the society. And so the whole idea of experimental design, how to interpret interventional studies, excuse me, observational data without having a strong experiment going on but just looking at the natural experiments that are around us, that's a strength that economics has to bring to health services research. And really that's the topic of the whole econometric course that's now under way.

And if you've missed some of the earlier talks, they're all archived on the HSR&D website. So you can get caught up, and some of the early ones will give you a good overview and then you would be able to figure out which ones you might need to narrow in on and particularly what to learn about in the subsequent sessions that are being, ongoing right now. So I think the only method I'm trying to give is not just about measuring costs.

Well, we may have, people feel sated. If you have questions, additional questions that occur to you after we end the seminar, keep in mind that you can always ask our consulting service. And do we, can we say, let's see our next, we have our next HERC seminar...

Ms. Elizabeth Gahlert: It will be April 19th...

Dr. Paul Barnett: ...coming up. There you go.

Ms. Elizabeth Gahlert: And it's Gillian Sanders-Schmidler, and she'll present, be presenting the new cost-effectiveness analysis guidelines.

Dr. Paul Barnett: So I think this is a real important topic for people who are interested in cost-effectiveness analysis. You may want to look at the most recent HERC bulletin which has an article about how the guidelines for doing cost effectiveness analysis in the United States have been revised, and the new book on this just came out in December. And so it's gotten a little bit more complicated now about what the expectations are to evaluate the intervention to say whether or not they're cost effective. Gillian is one of the co-chairs of the panel that put together the new guidelines, and so I think we're real lucky to have her make this presentation for us. So it's straight from the source, if you will. So there's an overview of those guidelines in the current book, bulletin, and of course we have our whole course which we've, is archived, but we're going to have to update that because some of the new, the changes that the panel has made.

Well, I think we'll turn it back to you, Heidi. You have a poll for us to, for people to...

Heidi: Yes.

Dr. Paul Barnett: ...give their thoughts.

Heidi: I do. But first I want to thank both Elizabeth and Paul for taking the time to present today. We really do appreciate it. For the audience, when I close the meeting out in just a moment, you will be prompted with a feedback form. Please take a few moments to fill that out. We really do read through it and appreciate all of your feedback, and we really do try to incorporate it into our current and upcoming sessions. With that, I want to thank everyone for joining us for today's HSR&D Cyberseminar, and we look forward to seeing you at a future session. Thank you.

[ END OF AUDIO ]