

HERC

Health Economics Resource Center

Supports pioneering health economics research to improve health care for Veterans and beyond

The Health Economics Resource Center (HERC) was established in 1999 and is an HSR&D resource center designed to support VA economic research in order to increase health care efficiency and value for Veterans and the nation. HERC provides tools and resources to assist researchers in conducting economic analyses for implementation research.



HERC Overview



RESEARCH

HERC helps VA researchers determine the cost of VA care, assess cost-effectiveness, and evaluate the efficiency of VA programs and providers.



TRAINING

HERC offers trainings to help VA researchers learn about cost data and economic evaluation.



CONSULTING

HERC offers a consulting service for VA researchers, policy makers and operational leaders.

HERC estimates the cost of all VA health care encounters, develops guidebooks to VA data, and issues technical reports with analyses of economic data. HERC economists have developed extensive expertise through their participation in economic studies that are funded by VA HSR&D, QUERI, the VA Cooperative Studies Program, Agency for Healthcare Research and Quality (AHRQ) and the National Institutes of Health (NIH).

HERC Services and Benefits



HOT TOPICS

- Choice/ Community Care Costs
- Risk Adjustment



DATA

- Inpatient
- Outpatient
- Pharmacy
- Labor
- Providers



ANALYTIC METHODS

- Budget Impact Analysis (BIA)
- Cost-Effectiveness Analysis (CEA)
- Implementation costs
- Micro-costing



TOOLS & TRAINING

- Guidebooks
- Technical Reports
- Courses & Seminars

VA



U.S. Department of Veterans Affairs

Veterans Health Administration
Health Services Research & Development Service

HERC Economic Analysis Process



STUDY DESIGN

- HERC developed these [Guidelines for Economic Analysis](#) to consider which form of economic analysis is most appropriate for the implementation study.
- Common forms of economic analysis for implementation studies include:
 - Cost-identification; [micro-costing](#) is often used when the cost of the intervention is not known.
 - [Cost-effectiveness analysis \(CEA\)](#)
 - [Budget impact analysis \(BIA\)](#)



DATA COLLECTION

- Develop an [Economic Analysis Plan](#).
- Estimate the costs of implementation, intervention, and consequences following the best practices described in this [presentation](#).
- Create a finder file or crosswalk file to link participants in a study to administrative and utilization files.
- Sometimes the study requires the collection of additional information to estimate the cost of the intervention. In these situations, [create a tool used for collecting data for micro-costing](#).



DATA ANALYSIS

- Analyze the data and estimate costs for patients.
- This [Statistical Program](#) provides guidance on how to estimate costs for patients. Users can modify this program to identify the appropriate time interval and cost subtotals.
- For studies that re-organize existing care, the cost of the intervention is included in the administrative data and can be estimated through analysis. In studies where the existing administrative data do not include the cost of the intervention, the cost of the intervention will need to be estimated separately and added to the costs.



DATA REPORTING

- Report the cost of the intervention for the intervention and comparison group (mean and measure of variance).
- Report the cost of the subsequent downstream health care costs for the intervention and comparison group (mean and measure of variance).
- Report the net effect, which is the cost of intervention plus cost of subsequent downstream effects for the intervention and comparison group (mean and measure of variance).

Working with HERC

HERC's services are particularly relevant during the Pre-implementation and Sustainment phases to develop an appropriate economic evaluation plan to understand the implementation costs for an effective practice and the business case for spread to other sites for sustained use.

The QUERI Roadmap provides a systematic, three-phased approach to help practitioners overcome barriers to implementing effective practice, Pre-Implementation, Implementation and Sustainment. For more details, visit the [QUERI Roadmap](#).

