

# **Implementing case-based payments – Germany**

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# Contents

- A brief history of case based hospital financing
- The current system of hospital financing
- The Health Care Reform Act 2000
- The Case Fees Act 2002

# A brief history of case based financing

- First thoughts about conversion to case based financing system at the end of the 1970s
- Two reports of expert groups in 1983 and 1987
- First steps towards case based payments with the Health Care Structure Act passed in 1992

# Hospital Financing in Germany

- Since 1972: Dual hospital financing, i.e. investment costs are paid by the Länder and the running costs are paid mainly by SHI-funds
- Running costs are reimbursed via negotiated hospital budgets (with limits given by the Federal Ministry of Health)

# Reimbursement of running costs

- Case fees
- Procedure fees
- Basic charge
- Departmental charge

# Case fees

- introduced between 1995 (optional) and 1996 (mandatory) – these case fees were developed specifically for Germany
- intended to cover all costs during a hospital stay, only one case fee can be reimbursed per hospital case
- importance depends on speciality: very important for gynaecology and obstetrics, heart surgery and ophthalmology

# Procedure fees

- Procedure fees are reimbursed in addition to basic charge and departmental charge
- mostly based upon a specific intervention
- it is possible to reimburse several procedure fees per case

## **Basic charge**

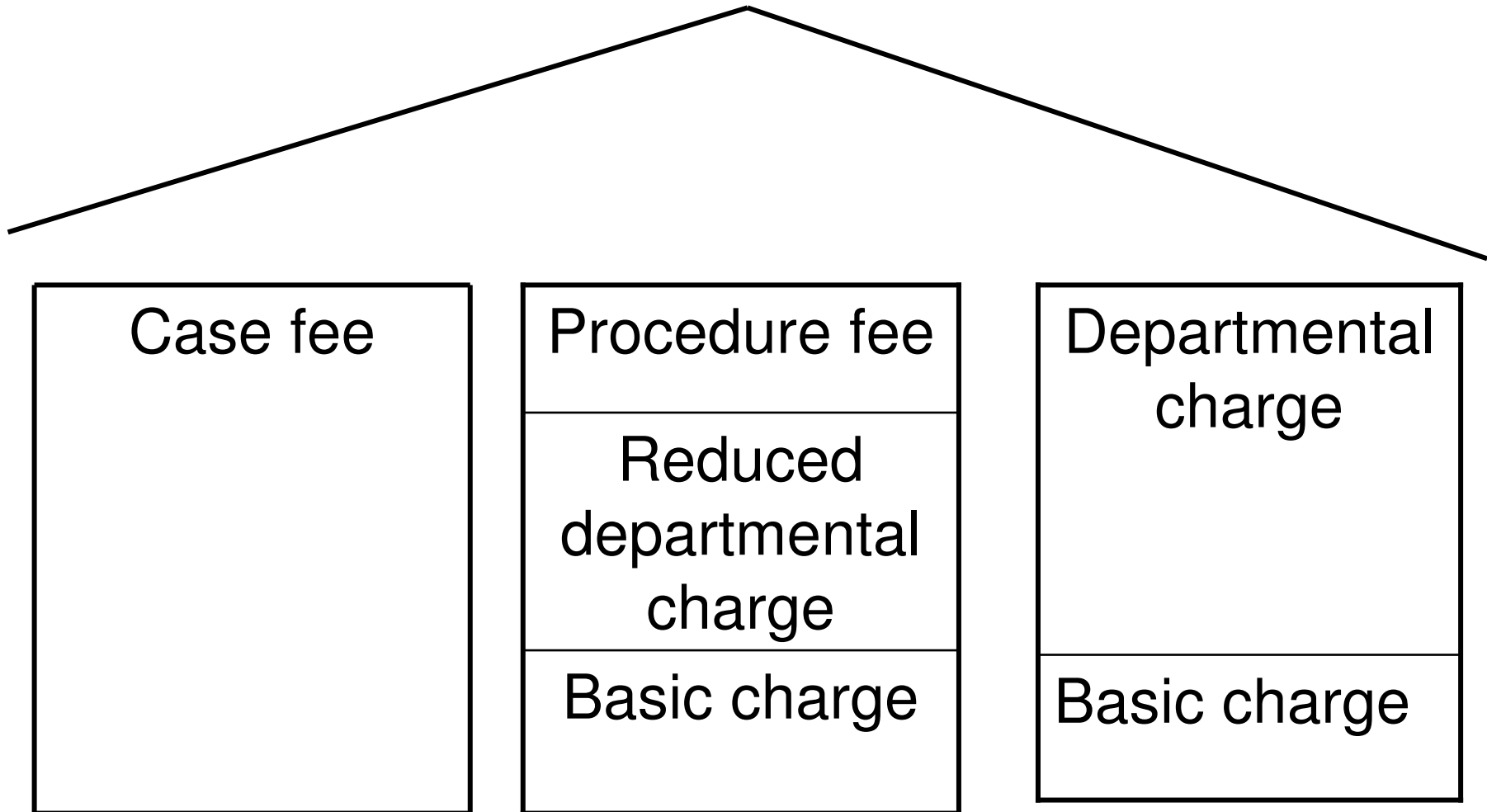
- hospital wide flat rate which covers non-medical costs  
(e.g. administration, board and lodging)

## **Departmental charge**

- separate for every hospital department which has beds, covers the costs for medical costs  
(e.g. nursing, pharmaceuticals)



# Hospital Budget



# Health Care Reform Act 2000

- intends to introduce a fully-fledged case based payment system based on DRGs
- concrete development and introduction of this system to be done in complex interaction of state-regulation and the self-government

# Requirements of the Health Care Reform Act 2000 for the new case based system

## (I)

- introduction of a universal, performance-oriented and case-based reimbursement system  
(exception: psychiatry, psychosomatic and psychotherapeutic medicine)
- system has to reproduce complexities and co-morbidities
- practicability

# **Requirements of the Health Care Reform Act 2000 for the new case based system (II)**

- necessity of uniform regulations for surcharges and discounts
- DRGs and relative weights have to be uniform for the whole Federal Republic
- the base rate (point value) may vary between the regions

# **Requirements of the Health Care Reform Act 2000 for the new case based system**

## **- Delegation to self-government - (I)**

- The self-government has to agree upon an existing case based system based on DRGs
- This system must be already in operation
- Self-government must also agree how to further develop and maintain the system
- Deadline: 30<sup>th</sup> of June 2000 (i.e. within 6 months)

## **Requirements of the Health Care Reform Act 2000 for the new case based system**

- Delegation to self-government - (II)**
- Start: 1st January 2003 with a budget-neutral phase
- For costs which cannot be included into DRGs the self-government has to agree upon surcharges and discounts

# Decision of Self-government for DRG-system

- The self-government commissioned two reports in order to evaluate different DRG-Systems (University Münster, Mr. Fischer)
- Compared were the following systems by both reports: **HCFA-DRG** (USA), **AP-DRG** (USA/3M), **GHM** (France), **R-DRG** (USA), **APR-DRG** (USA/3M), **AP-DRG** (USA/3M), **AR-DRG** (Australia), and **LDF** (Austria)
- In addition in Fischer-Report: **North DRG** (Scandinavia)

# Agreement of the Self-government (I)

- German DRG System will be based on the Australian AR-DRG (Version 4.1)
- For every Basis-DRG there will a maximum of three reimbursable DRGs
- Overall there shall be a maximum of 800 DRGs
- Self-government will establish uniform coding-guidelines



# Agreement of the Self-government (II)

- yearly adaptation of the system
- self-government will also agree upon a calculation scheme
- self-government will agree upon the base rate (point value) either on a federal or regional level
- a separate institute will be created (DRG-Institute) for the development and maintenance of the system

# **Tasks of the Institute for the reimbursement system in hospitals (DRG-Institute)**

- Definition of the German DRGs (G-DRGs)
- Maintenance of the Basic-DRGs and complexity and co-morbidity levels
- Coding-guidelines
- Calculation of relative weights and surcharges and discounts

# G-DRG

Home Suche Kontakt

Spitzenverbände der Krankenkassen  
 Verband der privaten Krankenversicherung  
 Deutsche Krankenhausgesellschaft

21. Mai 2002



## Ihre Wahl

### Systemgrundlagen

- ▶ DRG-Hintergrund
- ▶ § 17 b KHG
- ▶ Vereinbarung Entgeltsystem
- ▶ Vereinbarung Zu- und Abschläge
- ▶ Vereinbarung Methodentest
- ▶ Vereinbarung Systemzuschlag
- ▶ AR-DRG Version 4.1

### Organisation

- ▶ Wir über uns
- ▶ DRG-Institut
- ▶ Kontakt DRG-Institut
- ▶ Datenstelle

### Deutsches DRG-System

- ▶ Kodierrichtlinien

### EDV

- ▶ Umsetzung

### Dokumente

- ▶ Kalkulationshandbuch
- ▶ Glossar

## Herzlich Willkommen...

...auf der offiziellen Website der Selbstverwaltung für German Refined - Diagnosis Related Groups!



Gemäß § 17 b KHG sind die Deutsche Krankenhausgesellschaft (DKG), die Spitzenverbände der Krankenkassen (GKV) und der Verband der privaten Krankenversicherung (PKV) gemeinsam für die Einführung eines pauschalierenden Entgeltsystems zuständig.

Diese, von der Selbstverwaltung gemeinsam gepflegte Website informiert über alle damit in Verbindung stehenden Aktivitäten und Vereinbarungen.

## Service

- ▶ Aktuelles
- ▶ Fragen und Antworten
- ▶ nützliche Links
- ▶ Jobs (beim DRG-Institut)
- ▶ Downloads

## News

### Kontakt DRG-Institut

Die InEK gGmbH ist ab sofort unter einer neuen Email-Adresse erreichbar. [mehr...](#)

### Regionalkonferenzen

Nach Abschluss der fünf Regionalkonferenzen finden Sie hier die Fachbeiträge. [mehr...](#)

### Ausschreibungsverfahren Datenstelle

Folgende Bekanntmachung ist im europäischen Amtsblatt veröffentlicht worden. Die Unterlagen für die Ausschreibung können bei InEK gGmbH angefordert werden. [mehr...](#)

### DRG-Datensatz

DRG-Datensatz Version 31.01.2002. [mehr...](#)

# **Agreement of the Self-government (III) - surcharges and discounts**

- Hospitals which do not have an emergency unit will get a reduced base rate
- Vocational training will be financed by a surcharge per reimbursed DRG
- Additional payment on a daily basis for people who accompany patients for medical reasons
- Additional payments for the provision of seldomly used services (e.g. burn units)

# Case Fees Act 2002

- was very disputed in the decision-making process.  
Most controversial was the question whether hospitals have to guarantee certain minimum volumes of services.
- regulates the general framework for the implementation of the system
- outlines the time schedule

# Regulations of the Case Fee Act 2002

- There has to be a preliminary case fee catalogue until 31<sup>st</sup> December 2002
- If it is not possible to calculate relative weights due to small numbers, then it is allowed to use Australian relative weights as a substitute.

# Regulations of Case Fee Act - time schedule (I)

- Optional introduction of the new system for hospitals on 1<sup>st</sup> January 2003
- Obligatory introduction for all hospitals on 1<sup>st</sup> January 2004
- Budget-neutral phase between 2003 and 2004, i.e. budgets are calculated according to conventional methods and the price for a DRG results from the hospital specific budget

# Regulations of Case Fee Act - time schedule (II)

- In 2005/2006, the base rates will be gradually adjusted towards uniform rates
- On 1<sup>st</sup> January 2007 uniform rates for DRGs on Land level shall be established
- In the year 2007 a new law will be passed which will incorporate the experiences made so far



# The implementation process by the self-government so far

- Coding guidelines were passed in March 2001. These shall ensure a valid coding of diagnosis and procedures
- Calculation scheme
- Pretest for the calculation of relative weights completed
- Calculation of relative weights is currently going on in a sample of more than 260 hospitals