

Diagnosis Related Groups in Europe: Adaptations and trends



Dr. med Wilm Quentin, MSc HPPF

Department of Health Care Management

Berlin University of Technology

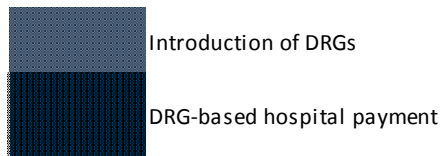
(WHO Collaborating Centre for Health Systems Research and Management)

European Observatory on Health Systems and Policies

Von der DRG Einführung zur Vergütung...



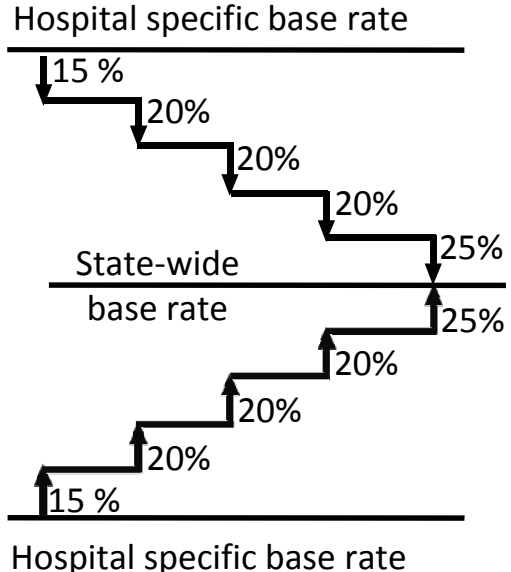
Country	1985	1990	1995	2000	2005	2010	Original purpose	Principal purpose in 2010	
Austria							LKF (self-developed)	Budgetary allocation	Budgetary allocation, Planning
England							HRG (self-developed)	Measuring hospital activity	Payment
Estonia							NordDRG (HCFA-DRG)	Payment	Payment
Finland							NordDRG (HCFA-DRG)	Measuring hospital activity, benchmarking	Planning, benchmarking, hospital billing
France*							GHM (HCFA-DRG)	Measuring hospital activity	Payment
Germany							G-DRG (AR-DRG)	Payment	Payment
Ireland							HCFA-DRG, AR-DRG	Budgetary allocation	Budgetary allocation
Netherlands							DBC (self-developed)	Payment	Payment
Poland							JGP (HRG)	Payment	Payment
Portugal							HCFA-DRG, AP-DRG	Measuring hospital activity	Budgetary allocation
Spain (Catalonia)							AP-DRG, HCFA/CMS-DRG	Budgetary allocation	Budgetary allocation, benchmarking
Sweden							NordDRG (HCFA-DRG)	Payment	Payment, measuring hospital activity, benchmarking



Notes: the name of the DRG system used in countries is shown in **bold**, in brackets is the **(origin of a national DRG system)**; LKF= leistungsorientierte Krankenanstaltenfinanzierung; HRG= Healthcare Resource Groups; NordDRG= common DRG system of the nordic countries; HCFA= Health Care Financing Administration; GHM= Groupes Homogènes de Malade; G-DRG= German-DRG; AR-DRG= Australian Refined-DRG; DBC= Diagnose Behandeling Combinaties; JGP= Jednorodne Grupy Pacjentów; AP-DRG= All Patient-DRG, * Between 1996 and 2004, DRGs had only a limited role for budget allocation.

...die Anpassung dauert häufig viele Jahre

Zum Beispiel in Deutschland

	2000-2002	2003 - 2004	2005 - 2009	2010 - 2014
1) Phase of preparation		2) Budget-neutral phase	3) Phase of convergence to state-wide base rates	4) Current development and ongoing debates
		<p>Historical Budget (2003)</p> <p>↓</p> <p>Transformation</p> <p>↓</p> <p>DRG-Budget (2004)</p>	 <p>Hospital specific base rate</p> <p>↓ 15 %</p> <p>↓ 20%</p> <p>↓ 20%</p> <p>↓ 20%</p> <p>↓ 25%</p> <p>State-wide base rate</p> <p>↑ 25%</p> <p>↑ 20%</p> <p>↑ 20%</p> <p>↑ 15 %</p> <p>Hospital specific base rate</p>	<ul style="list-style-type: none"> • Impact of DRGs • Managing hospital volumes • Introduction of DRG-like payment for psychiatric hospitals • Dual Financing or Monistic • Payment adjustments based on quality • Selective or uniform negotiations

Fast alle Länder benutzen DRGs, aber...

	Krankenausvergütung in europäischen Ländern (~2011)
Austria	GB (LKF based, >70%), regional adjustments (<30%)
Belgium	FFS (40%), GB (39% - per-diem, FFS point and DRG based)
Bulgaria	case payment (own system), volume thresholds
Cyprus	GB (historic) – Cy-DRGs to be introduced 2012
Czech Republic	GB (56%), case payment (IR-DRG based, 40%)
Denmark (Dk)	GB (80%), case payment (Dk-DRG based, 20%)
Estonia	case payment (NordDRG based, 39%), FFS (33%), per-diems (28%)
Finland	GB (region specific allocation method, often NordDRG based)
France	case payment (GHM based, MLPC), GB
Germany	case payment (G-DRG based, within GB)
Greece	GB, deficit compensation, per diems, case payments (DRG based), FFS
Hungary	case payment (HDG based, hospital volume limits, MLPC)
Iceland	GB (NordDRGs for hospital internal distribution of the budget to departments)
Ireland	GB (AR-DRG based)
Italy	case payment (CMS-DRG based, within regional/hospital budget)
Latvia	case payment (own system), per diem, FFS
Lithuania	GB (DRG based – own system, volume limit)
Luxembourg	GB
Malta	GB (historic)
Netherlands	case payment (DBC based, within GB for 67% of DBCs)
Norway	GB (60%), case payment (NordDRG based, 40%)
Poland	case payment (JGP based, MLPC)
Portugal	GB (AP-DRG based 80%)
Romania	case payment (AR-DRG based within GBs)
Slovakia	case payment (own system, depending on health insurance)
Slovenia	case payment (AR-DRG based, within GB)
Spain	GB (region specific allocation methods, e.g. CMS-DRG based in Catalonia)
Sweden	case payments (NordDRG based) with volume ceilings or GBs (region specific allocation methods)
Switzerland	case payment (AP-DRG CH based), per diem, GB, deficit compensation (SwissDRG starting 2012)

... die Verwendung unterscheidet sich!

Auswirkungen: beabsichtigte und unbeabsichtigte

Incentives of DRG-based hospital payment	Strategies of hospitals
1. Reduce costs per patient	a) Reduce length of stay <ul style="list-style-type: none"> optimize internal care pathways inappropriate early discharge ('bloody discharge')
	b) Reduce intensity of provided services <ul style="list-style-type: none"> avoid delivering unnecessary services withhold necessary services ('skimping/undertreatment')
	c) Select patients <ul style="list-style-type: none"> specialize in treating patients for which the hospital has a competitive advantage select low-cost patients within DRGs ('cream-skimming')
2. Increase revenue per patient	a) Change coding practice <ul style="list-style-type: none"> improve coding of diagnoses and procedures fraudulent reclassification of patients, e.g. by adding inexistent secondary diagnoses ('up-coding')
	b) Change practice patterns <ul style="list-style-type: none"> provide services that lead to reclassification of patients into higher paying DRGs ('gaming/overtreatment')
3. Increase number of patients	a) Change admission rules <ul style="list-style-type: none"> reduce waiting list admit patients for unnecessary services ('supplier-induced demand')
	b) Improve reputation of hospital <ul style="list-style-type: none"> improve quality of services focus efforts exclusively on measurable areas

Positive and negative consequences are closely related

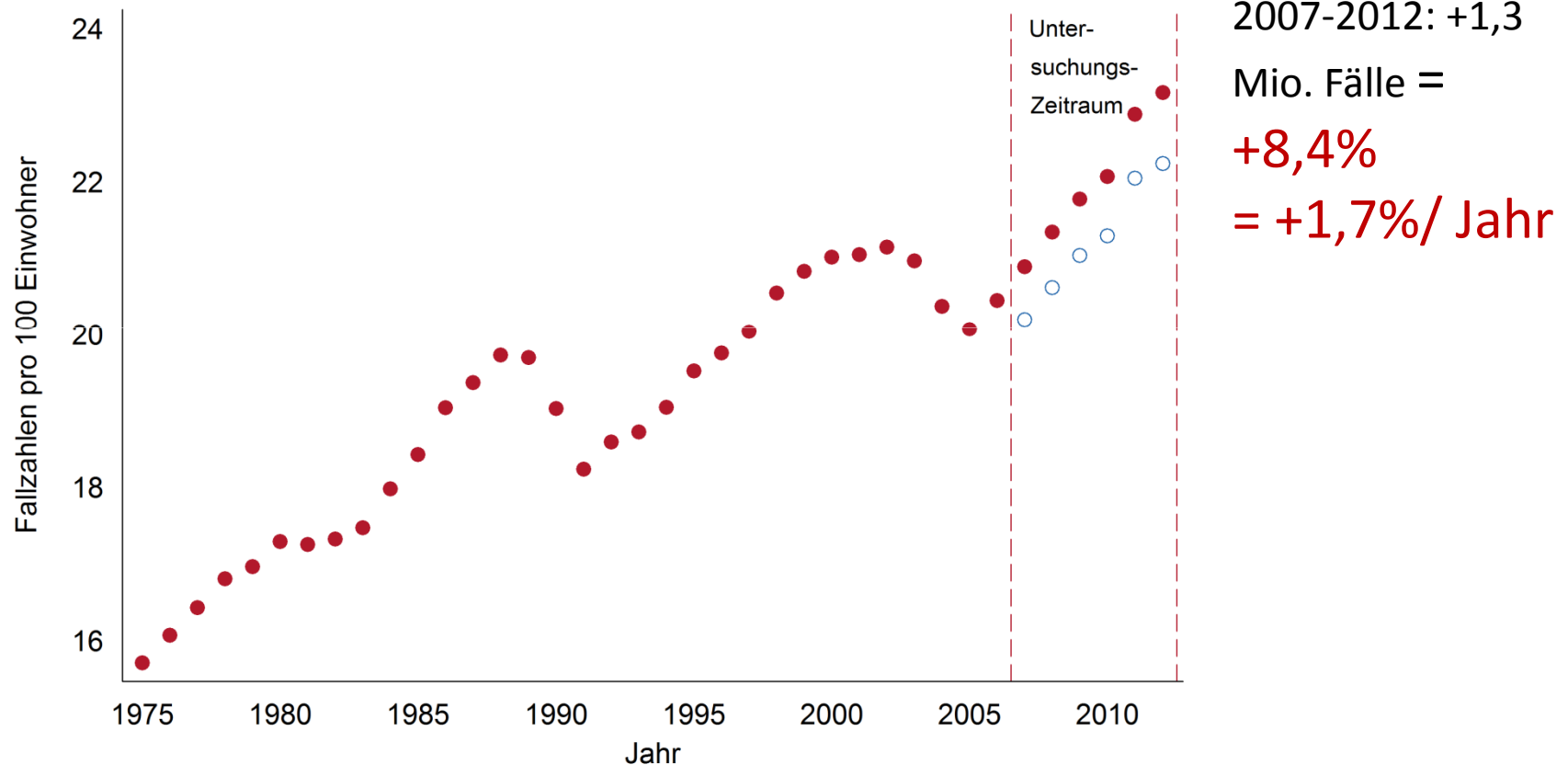
Europäische Studien zeigen erwartete Effekte



Country	Study	Activity	ALoS
Sweden, early 1990s	Anell, 2005		
	Kastberg and Siverbo, 2007		
Italy, 1995	Louis et al., 1999		
	Ettelt et al., 2006		
Spain, 1996	Ellis/ Vidal-Fernández, 2007		
Norway, 1997	Biørn et al., 2003		
	Kjerstad, 2003		
	Hagen et al., 2006	▲	
	Magnussen et al., 2007	▲	
Austria, 1997	Theurl and Winner, 2007		▼
Denmark, 2002	Street et al., 2007	▲	
Germany, 2003	Böcking et al., 2005	▲	▼
	Schreyögg et al., 2005		▼
	Hensen et al., 2008	▲	▼
England, 2003/4	Farrar et al., 2007	▲	▼
	Audit Commission, 2008	▲	▼
	Farrar et al., 2009	▲	▼
France, 2004/5	Or, 2009	▲	

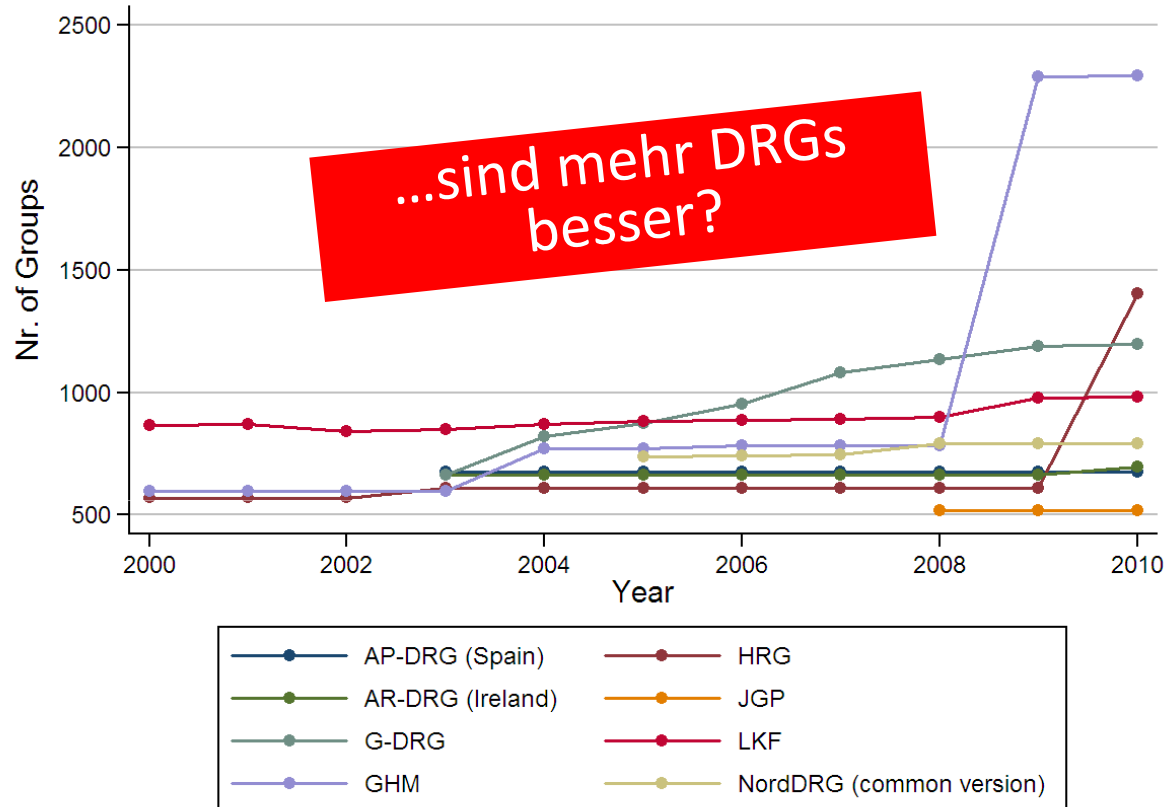
Ist es gut wenn Fallzahlen steigen?

Zum Beispiel in Deutschland



Quelle: Schreyögg et al. Forschungsauftrag zur Mengenentwicklung

Fast überall steigt die Anzahl der DRGs, aber...



	AP-DRG	AR-DRG	G-DRG	GHM	NordDRG	HRG	JGP	LKF	DBC
DRGs / DRG-like groups	679	665	1,200	2,297	794	1,389	518	979	≈30,000
MDCs / Chapters	25	24	26	28	28	23	16	-	-
Partitions	2	3	3	4	2	2*	2*	2*	-

Anpassung der Vergütung nach Qualität

Type of adjustment	Mechanism	Examples
Hospital based	<ul style="list-style-type: none"> • Payment for entire hospital activity is adjusted upwards or downwards by a certain percentage • Hospital receives an additional payment unrelated to activity 	<ul style="list-style-type: none"> • Predefined quality results are met/not met (e.g., <i>in England</i>) • Overall readmission rate is below/above average or below/above agreed target (e.g., <i>in the United States</i>) • Hospitals install new quality improvement measures (e.g., <i>in France</i>)
DRG/ disease based	<ul style="list-style-type: none"> • Payment for all patients with a certain DRG (or a disease entity) is adjusted upwards or downwards by a certain percentage • DRG payment is not based on average costs but on costs of those hospitals delivering ‘good quality’ 	<ul style="list-style-type: none"> • Insurers negotiate with hospitals that DRG payment is higher/lower if certain quality standards are met/not met (e.g., <i>in Germany and the Netherlands</i>) • DRG payment for all hospitals is based on ‘best practice’; that is, costs incurred by efficient, high-quality hospitals (e.g., <i>in England</i>)
Patient based	<ul style="list-style-type: none"> • Payment for an individual patient is adjusted upwards or downwards by a certain amount • No payment is made for a case 	<ul style="list-style-type: none"> • Certain readmissions within 30 days are not paid separately but as part of the original admission (e.g., <i>in Germany</i>) • Complications (that is, certain conditions that were not present upon admission) cannot be used to classify patients into DRGs that are weighted more heavily (e.g., <i>in the United States</i>)

- Fast alle Länder in Europa verwenden DRGs, aber
 - Unterschiedliche Ziele
 - Unterschiedliche DRG-Systeme
 - Unterschiedliche Verwendung der Systeme zur Vergütung
- Die Einführung von DRGs führt zu den erwarteten Ergebnissen
 - Mehr Transparenz über Leistungen
 - Anstieg der Aktivität
 - Verkürzung der Verweildauern
- Kontinuierliche Anpassungen sind notwendig
 - Zur Abbildung des Leistungsgeschehen und der Kosten
 - Zur Kontrolle der Fallzahlen
 - Zur Berücksichtigung der Qualität

Thank you!



Thank you very much for your attention!

Slides and more material are available at

<http://www.mig.tu-berlin.de/>

www.eurodrgeu

Dr. med Wilm Quentin, MSc HPPF

Department of Health Care Management

Berlin University of Technology

(WHO Collaborating Centre for Health Systems Research and Management)

European Observatory on Health Systems and Policies

