

## Advisory Board

The Advisory Board will provide an external review of the quality of the project's processes and deliverables.

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## EuroDRG

Diagnosis-Related Groups in  
Europe: towards Efficiency  
and Quality

A project funded under the  
7th EU Framework Programme



## Background

Payment mechanisms represent one of the fundamental building blocks of any health system, introducing powerful incentives for actors in the system and fierce technical design complexities. Inpatient case payments mainly referred to as Diagnose Related Groups (DRGs), are nowadays used as a payment mechanism with ambitious aims: they seek to reimburse providers fairly for the work they undertake, but intend to encourage efficient delivery and to discourage the provision of unnecessary services and thereby target to overcome some of the drawbacks of more traditional hospital reimbursement. A case payment system that fulfils these hopes requires carefully balanced incentives as well as a methodologically sound system. Especially, DRGs need to accurately reflect the resources and costs of treating a given patient.

Fierce debate among practitioners, researchers and the public indicates that case payments still pose considerable technical and policy challenges, and many unresolved issues in their implementation remain. For example, the HealthBASKET project showed that the adoption of DRG systems differs greatly between European Member States. One of the key conclusions of HealthBASKET was that structural components may play an even more important role than heterogeneity of treatment patterns in cost variations within an episode of care. In this context, many European DRG systems may be heading in the wrong direction by concentrating almost exclusively on further developing the medical classification of DRGs. In addition over

the last decade the Europeanization of health services markets generated additional pressure on national reimbursement systems by adding complexity via increased patient mobility and health system interconnectedness.

## The project

The EuroDRG project scrutinises these challenges. Part one concentrates on the complexities of case payments for hospitals in general. Special emphasis is put on identifying those factors, which are crucial for (1) calculating adequate case payments, (2) examining hospital efficiency within countries and across Europe fairly and (3) study the relationship between costs and the quality of care provided in hospitals.

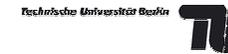
The project uses comparative analyses of DRG systems across 10 European countries embedded in various types of health systems (Austria, Estonia, Finland, France, Germany, the Netherlands, Poland, Spain, Sweden and the UK).

The second part of the project seeks to identify pan-European issues in hospital case payment and includes conducting efficiency analysis across European countries, establishing a European hospital benchmarking club as well as identifying those systemic factors, which will be crucial for successful policy design in a slowly emerging pan-European hospital market.

## Project duration

January 2009—December 2011

## Consortium members



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