



Diagnosis Related Groups (in Europe): Moving towards transparency, efficiency and quality in hospitals

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&

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Incentives linked to different forms of hospital payment

| | Productivity and number of services | Patient needs (risk acceptance) | Appropriateness and adherence to evidence-based medicine (quality of processes) | Quality of outcomes | Administrative simplicity and ease of financial sustainability |
|---------------|-------------------------------------|---------------------------------|---------------------------------------------------------------------------------|----------------------------------|----------------------------------------------------------------|
| Global budget | - | (-) | Cheap and bad → Undertreatment | | + |
| Per diems | (+) | ○ | ○ | → Inappropriate treatment | |
| FFS | + | (+) | Expensive and bad → Overtreatment | | - |

Incentives linked to different forms of hospital payment

| | Productivity and number of services | Patient needs (risk acceptance) | Appropriateness and adherence to evidence-based medicine (quality of processes) | Quality of outcomes | Administrative simplicity and ease of financial sustainability |
|----------------------------------|-------------------------------------|----------------------------------------------------|---------------------------------------------------------------------------------|---------------------|----------------------------------------------------------------|
| Global budget | — | (—) | (—) | ○ | + |
| Per diems | (+) | ○ | ○ | (—) | (+) / ○ |
| Simple DRGs (based on diagnosis) | + [cases] — [services/case] | (—) [if insufficient consideration of severity] | (—) [if insufficient consideration of necessary services] | (—) / ○ | (—) / ○ |
| FFS | + | (+) | (—) | (—) | — |

Incentives linked to different forms of hospital payment

| | Productivity and number of services | Patient needs (risk acceptance) | Appropriateness and adherence to evidence-based medicine (quality of processes) | Quality of outcomes | Administrative simplicity and ease of financial sustainability |
|----------------------------------|-------------------------------------|----------------------------------------------------|---------------------------------------------------------------------------------|---------------------|----------------------------------------------------------------|
| Global budget | — | (—) | European countries 1990s/2000s | | + |
| Per diems | (+) | ○ | | | (—) |
| Simple DRGs (based on diagnosis) | + [cases] — [services/case] | (—) [if insufficient consideration of severity] | (—) [if insufficient consideration of severity] | (—) / ○ | (—) / ○ |
| FFS | + | (+) | USA 1980s | | (—) |
| | | | | | (—) |

→ “dumping” (avoidance), “creaming” (selection) and “skimping” (undertreatment)
→ up/wrong-coding, gaming

Empirical evidence (I):

hospital activity and length-of-stay under DRGs



| Country | Study | Activity | ALoS |
|----------|-----------------------------------------------------|----------|------|
| US, 1983 | US Congress - Office of Technology Assessment, 1985 | ▼ | ▼ |
| | Guterman et al., 1988 | ▼ | ▼ |
| | Davis and Rhodes, 1988 | ▼ | ▼ |
| | Kahn et al., 1990 | | ▼ |
| | Manton et al., 1993 | ▼ | ▼ |
| | Muller, 1993 | ▼ | ▼ |
| | Rosenberg and Browne, 2001 | ▼ | ▼ |

Empirical evidence (II)

European countries
1990s/
2000s

| 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 | ▲ | |

To get a common “currency” of hospital activity for

- transparency → performance measurement
→ efficiency benchmarking,
- budget allocation (or division among purchasers),
- planning of capacities,
- payment (→ efficiency)



Payments for infrastructure
(e.g. buildings, expensive equipment)

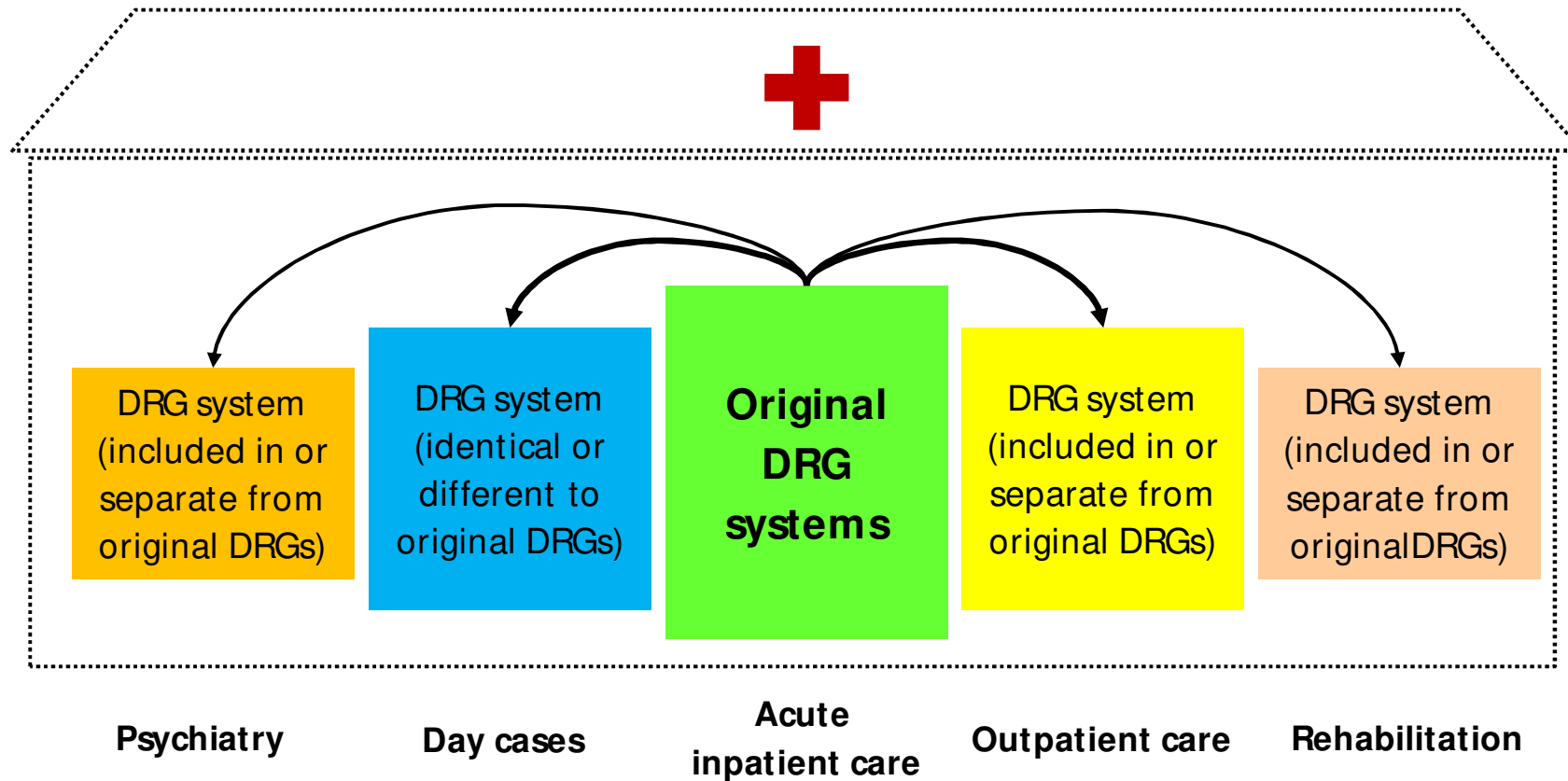
Payments for non-patient care activities
(e.g. teaching, research, emergency availability)

Payments for patients not classified into DRG system
(e.g. outpatients, day cases, psychiatry, rehabilitation)

Additional payments for specific activities for DRG-
classified patients (e.g. expensive drugs, innovations),
possibly listed in DRG catalogues

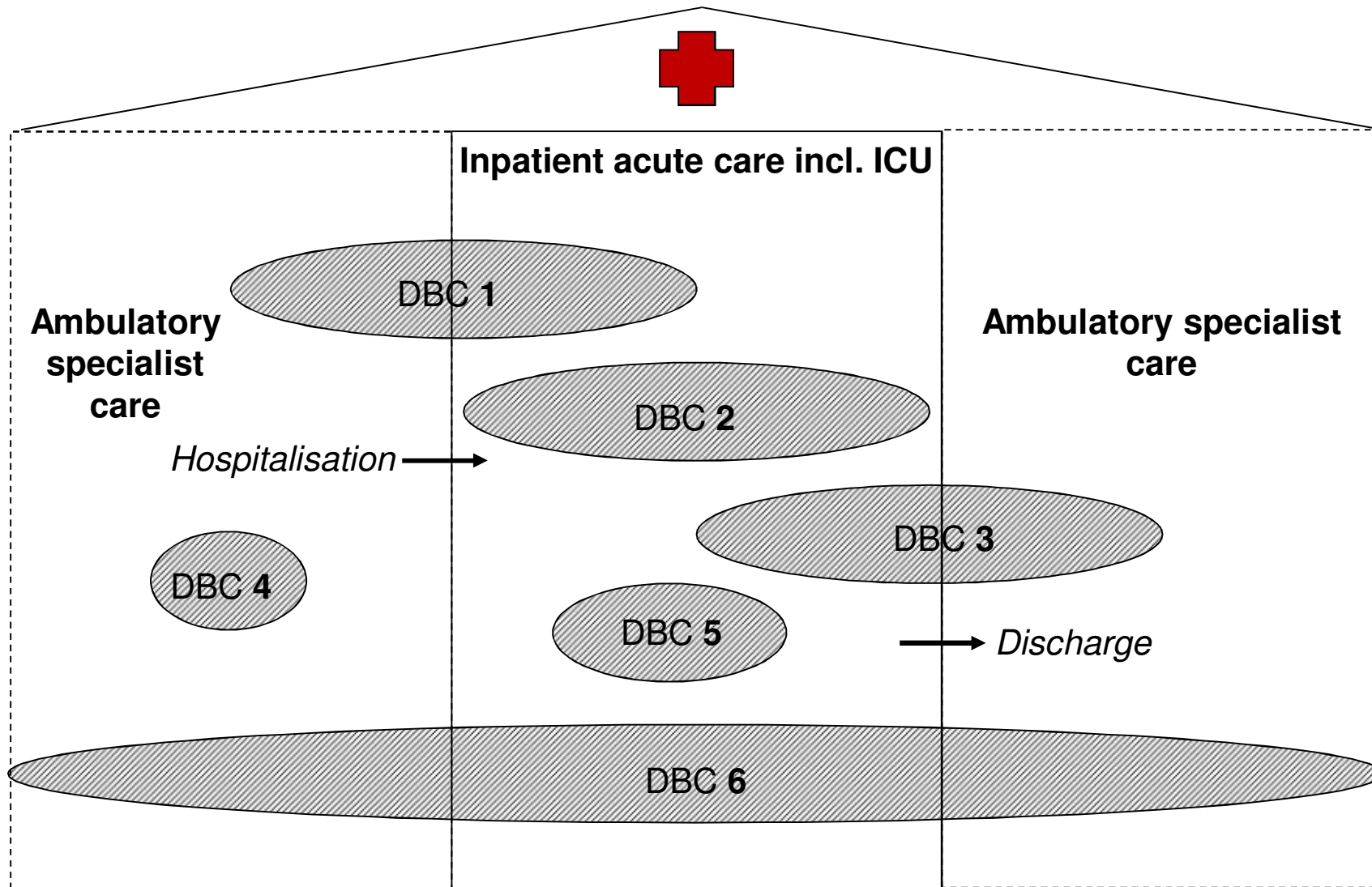
Other types of payments for DRG-classified patients
(e.g. global budgets, fee-for-service)

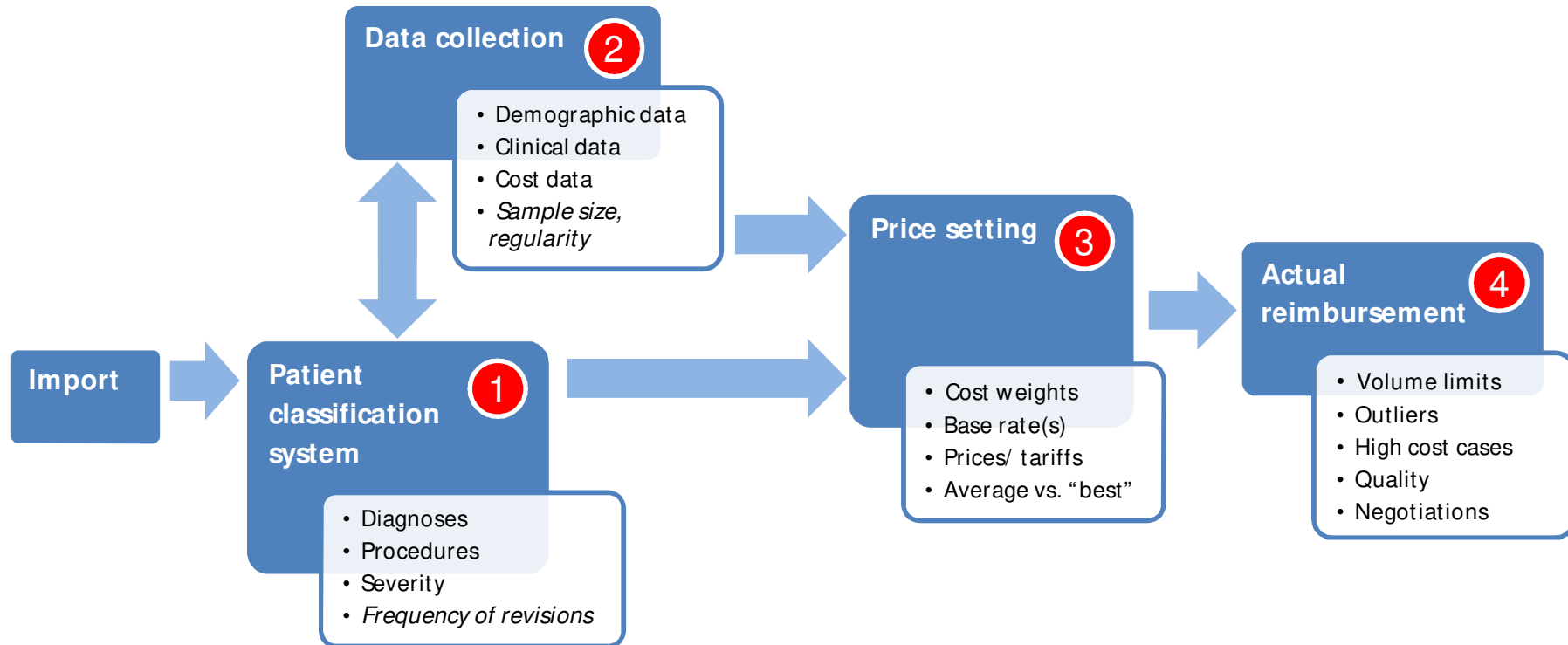
DRG-based case payments,
DRG-based budget allocation
(possibly adjusted for outliers, quality etc.)



| Country | Inpatient | Outpatients | Psychiatry | Rehabilitation |
|-----------------|-----------|---------------|---------------|----------------|
| Austria | X | ? | ? | ? |
| England | X | X | starting 2012 | ? |
| Estonia | X | starting 20xx | ? | ? |
| Finland | X | X | ? | ? |
| France | X | X | starting 20xx | starting 20xx |
| Germany | X | - | starting 2013 | - |
| The Netherlands | X | X | ? | ? |
| Ireland | X | X | - | ? |
| Poland | X | started 2011 | starting 20xx | starting 20xx |
| Portugal | X | ? | starting 20xx | ? |
| Spain | X | starting 20xx | ? | ? |
| Sweden | X | X | ? | ? |

DBCs (diagnosis-treatment combinations); *examples*

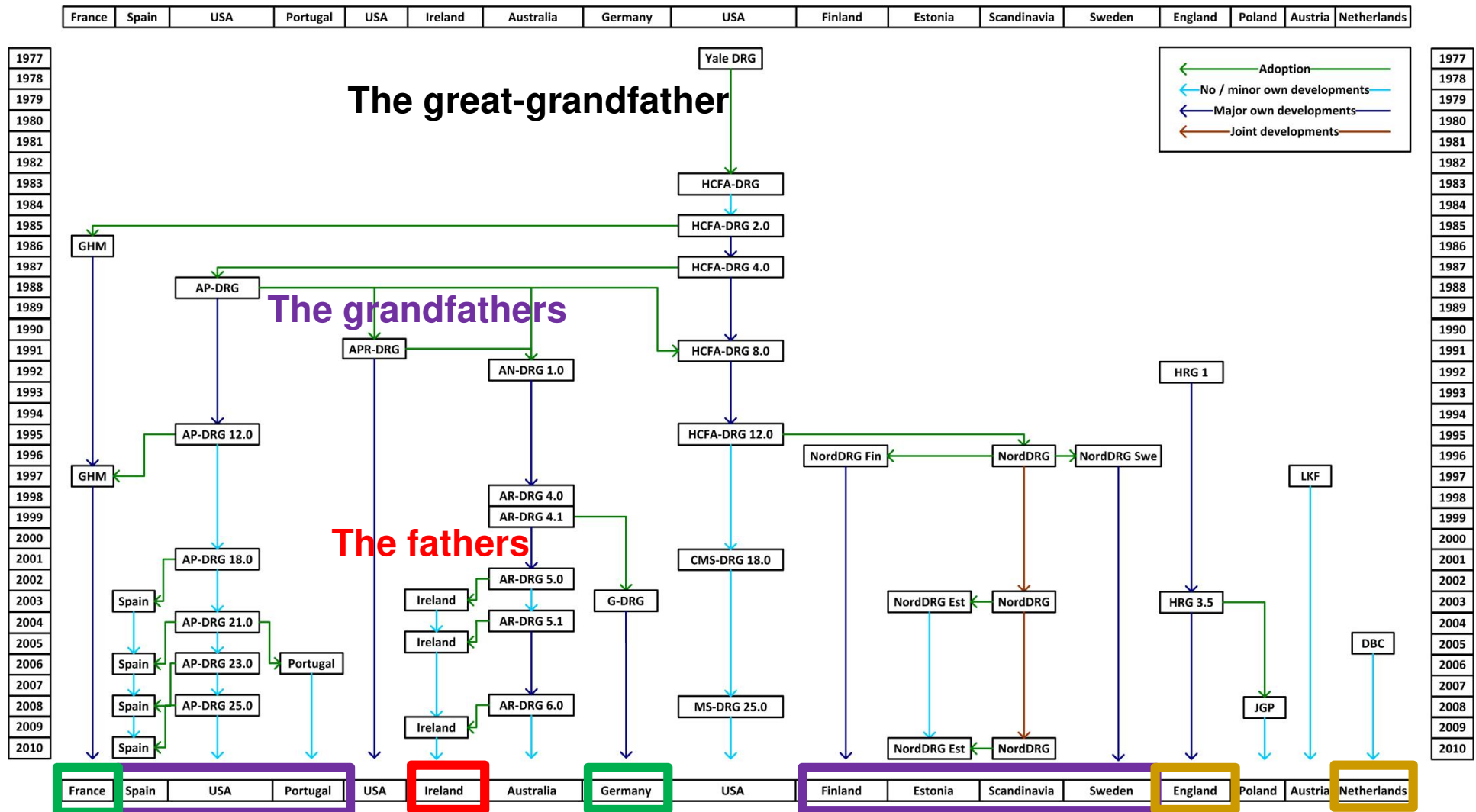




Choosing a PCS: copied, further developed or self-developed?

Patient classification system

- Diagnoses
- Procedures
- Severity
- *Frequency of revisions*



Classification variables and severity levels in European DRG-like PCS

Patient classification system

- Diagnoses
- Procedures
- Severity
- Frequency of revisions

| | AP-DRG | AR-DRG | G-DRG | GHM | NordDRG | HRG | JGP | LKF | DBC |
|--------------------------------------------------|--------|--------|-----------|-----|---------|-----|-----|-----------|-----|
| Classification Variables | | | | | | | | | |
| <i>Patient characteristics</i> | | | | | | | | | |
| Age | x | x | x | x | x | x | x | x | - |
| Gender | - | - | - | - | x | - | - | - | - |
| Diagnoses | x | x | x | x | x | x | x | x | x |
| Neoplasms / Malignancy | x | x | x | - | - | - | - | - | - |
| Body Weight (Newborn) | x | x | x | x | - | - | - | - | - |
| Mental Health Legal Status | - | x | x | - | - | - | - | - | - |
| <i>Medical and management decision variables</i> | | | | | | | | | |
| Admission Type | - | - | - | - | - | x | x | - | - |
| Procedures | - | - | x | x | x | x | x | x | x |
| Mechanical Ventilation | - | - | x | x | - | - | - | - | - |
| Discharge Type | - | - | - | x | x | x | x | - | - |
| LOS/ Same Day Status | - | x | x | x | x | x | x | - | - |
| <i>Structural characteristics</i> | | | | | | | | | |
| Setting (inpatient, outpatient, ICU etc.) | - | - | - | x | - | - | - | - | x |
| Stay at Specialist Departments | - | - | - | - | - | - | - | x | - |
| Medical Specialty | - | - | - | - | - | - | - | - | x |
| Demands for Care | - | - | - | - | - | - | - | - | x |
| Severity / Complexity Levels | 3* | 4 | unlimited | 5** | 2 | 3 | 3 | unlimited | - |
| Aggregate case complexity measure | - | PCCL | PCCL | x | - | - | - | - | - |

More emphasis on procedures and length-of-stay than in US

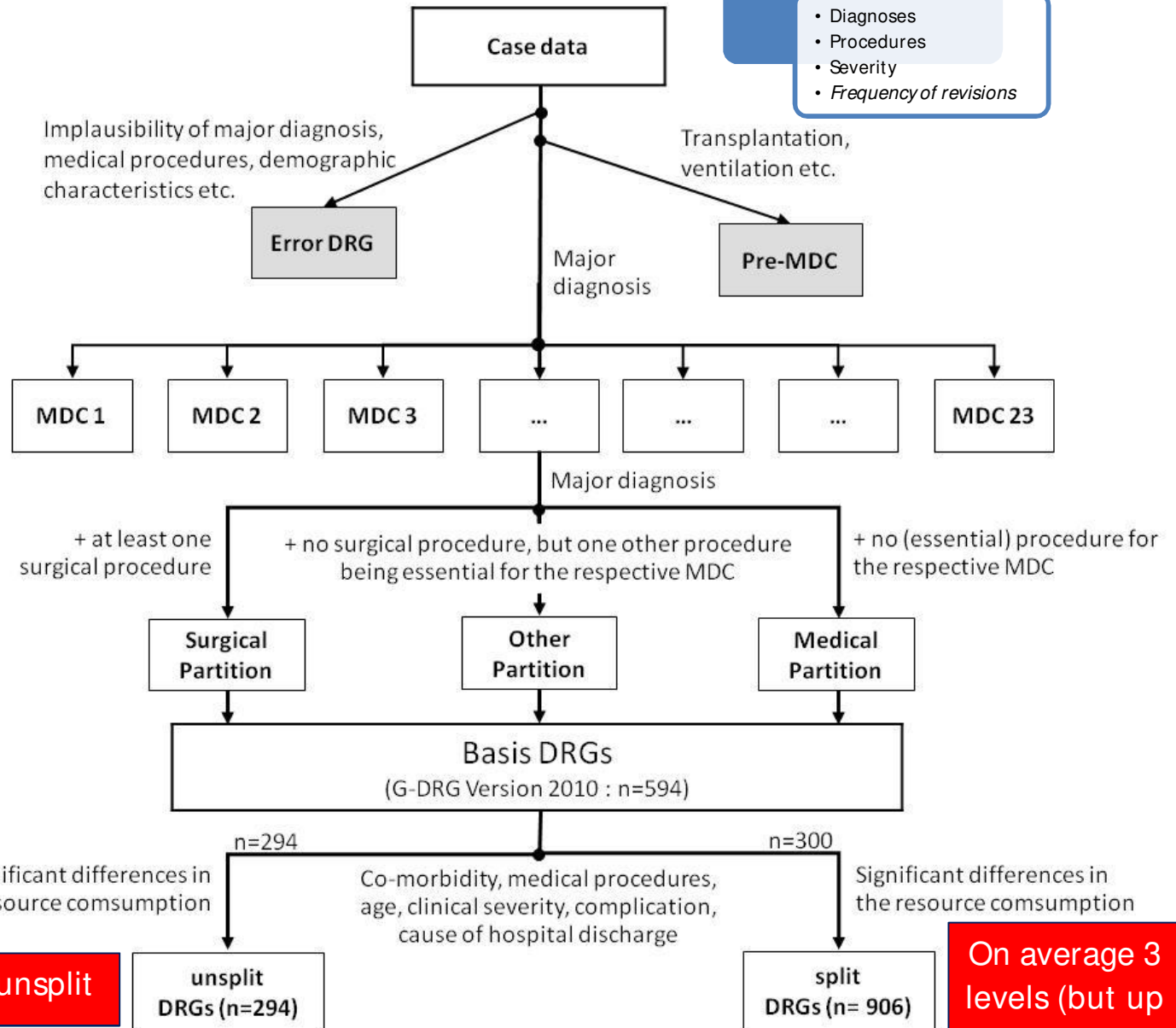
PCCL= Patient Clinical Complexity level

* not explicitly mentioned (Major CCs at MDC level plus 2 levels of severity at DRG level)

** 4 levels of severity plus one GHM for short stays or outpatient care

Patient classification system

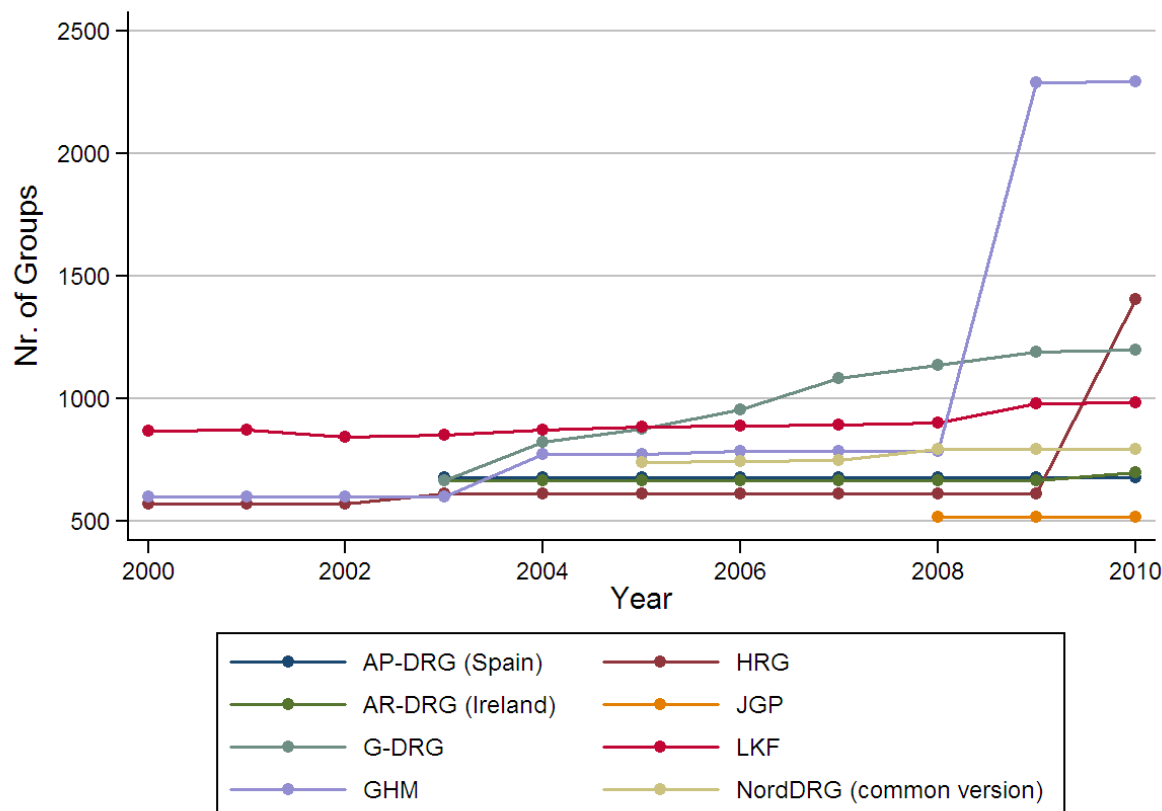
- Diagnoses
- Procedures
- Severity
- Frequency of revisions



**NB: Three partitions
→ one for non-surgical procedures!**

50% unsplit

On average 3 levels (but up to ca. 10)



Patient classification system

- Diagnoses
- Procedures
- Severity
- *Frequency of revisions*

| | 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* | - |

MDC differences across DRG systems

Patient classification system

- Diagnoses
- Procedures
- Severity
- Frequency of revisions



Data collection

- Demographic data
- Clinical data
- Cost data
- *Sample size, regularity*

Clinical data

- classification system for diagnoses *and*
- classification system for procedures

Cost data

- imported (not good but easy) *or*
- collected within country (better but needs standardised cost accounting)

Sample size

- entire patient population *or*
- a smaller sample

Many countries: *clinical data* = all patients;
cost data = hospital sample
with standardised cost accounting system

Data collection

- Demographic data
- **Clinical data**
- Cost data
- *Sample size, regularity*

| Country | Diagnosis Coding | Procedure Coding |
|-----------------|------------------|----------------------------------------------------------|
| Austria | ICD-10-AT | Leistungskatalog |
| England | ICD-10 | OPCS - Office of Population Censuses and Surveys |
| Estonia | ICD-10 | NCSP - Nomesco Classification of Surgical Procedures |
| Finland | ICD-10 | NCSP - Nomesco Classification of Surgical Procedures |
| France | ICD-10 | CCAM - Classification Commune des Actes Médicaux |
| Germany | ICD-10-GM | OPS - Operationen- und Prozedurenschlüssel |
| Ireland | ICD-10-AM | ACHI - Australian Classification of Health Interventions |
| The Netherlands | ICD-10 | Elektronische DBC Typeringslijst |
| Poland | ICD-10 | ICD-9-CM |
| Portugal | ICD-9-CM | ICD-9-CM |
| Spain | ICD-9-CM | ICD-9-CM |
| Sweden | ICD-10 | NCSP - Nomesco Classification of Surgical Procedures |

**(almost)
standardised**

no uniform standard available

| Data collection | | Cost- Element Groups | | | | | | | | | | |
|---------------------|--------------------------------------------|--------------------------------------------|--------------------------------------|-----------------------------------------------------------|----------------|-------------------------------------------------------|---------------------------------|---------------------------------------------------------|--------------------------------------------------------------------------------------------|---------------------------------|--------------------------------------|------|
| | | 1: Labour costs of the other medical staff | 2: Labour costs of the nursing staff | 3: Labour costs of the administrative and technical staff | 4a: Drug costs | 4b: Drug costs (individual costs/ actual consumption) | 5: costs of implants and grafts | 6a: Material costs (without drugs, implants and grafts) | 6b: Material costs (individual costs/ actual consumption, without drugs, implants/ grafts) | 7: Medical infrastructure costs | 8: Non- medical infrastructure costs | |
| | | Labour | | | Material | | | | | Infrastructure | | |
| Cost- Centre Groups | 1: Normal ward | Hospital units with beds | 1.1 | 1.2 | 1.3 | 1.4a | 1.4b | - | 1.6a | 1.6b | 1.7 | 1.8 |
| | 2: Intensive care unit | | 2.1 | 2.2 | 2.3 | 2.4a | 2.4b | 2.5 | 2.6a | 2.6b | 2.7 | 2.8 |
| | 3: Dialysis unit | | 3.1 | 2.3 | 3.3 | 3.4a | 3.4b | - | 3.6a | 3.6b | 3.7 | 3.8 |
| | 4: Operating room | Diagnostic and treatment areas | 4.1 | - | 4.3 | 4.4a | 4.4b | 4.5 | 4.6a | 4.6b | 4.7 | 4.8 |
| | 5: Anaesthesia | | 5.1 | - | 5.3 | 5.4a | 5.4b | - | 5.6a | 5.6b | 5.7 | 5.8 |
| | 6: Maternity room | | 6.1 | - | 6.3 | 6.4a | 6.4b | - | 6.6a | 6.6b | 6.7 | 6.8 |
| | 7: Cardiac diagnostics/ therapy | | 7.1 | - | 7.3 | 7.4a | 7.4b | 7.5 | 7.6a | 7.6b | 7.7 | 7.8 |
| | 8: Endoscopic diagnostics/ therapy | | 8.1 | - | 8.3 | 8.4a | 8.4b | 8.5 | 8.6a | 8.6b | 8.7 | 8.8 |
| | 9: Radiology | | 9.1 | - | 9.3 | 9.4a | 9.4b | 9.5 | 9.6a | 9.6b | 9.7 | 9.8 |
| | 10: Laboratories | | 10.1 | - | 10.3 | 10.4a | 10.4b | 10.5 | 10.6a | 10.6b | 10.7 | 10.8 |
| | 11: Other diagnostic and therapeutic areas | | 11.1 | 11.2 | 11.3 | 11.4a | 11.4b | 11.5 | 11.6a | 11.6b | 11.7 | 11.8 |

99 cost categories!

MDC: **MDC 14 Schwangerschaft, Geburt und Wochenbett**

DRG: **060D: Vaginale Entbindung ohne komplizierende Diagnose** Zurücksetzen

Daten: **14** **MDC 14 Schwangerschaft, Geburt und Wochenbett** Anz. DRGs: **26** N: **81.952**

| | | | | |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fallzahl Normallieger 29.836 v. MDC: 36,41% v. gesamt: 1,49% | Verweildauer Kurzlieger 10,30% Normallieger 87,22% Langlieger 2,48% 1. Tag mit Abschlag 1 1. Tag zus. Entgelt 7 Mittl. arithm. VWD 3,5 Standardabw. VWD 1,0 | PCCL 0 80,55% 1 0,00% 2 8,64% 3 10,71% 4 0,10% | Geschlecht Männlich 0,00% Weiblich 100,00% Unbestimmt 0,00% | Alter < 28 Tage 0,00% 28 T. - < 1 Jahr 0,00% 1 - 2 Jahre 0,00% 3 - 5 Jahre 0,00% 6 - 9 Jahre 0,00% 10 - 15 Jahre 0,12% 16 - 17 Jahre 0,81% 18 - 29 Jahre 49,50% 30 - 39 Jahre 46,60% 40 - 49 Jahre 2,96% 50 - 54 Jahre 0,00% 55 - 59 Jahre 0,00% 60 - 64 Jahre 0,00% 65 - 74 Jahre 0,00% 75 - 79 Jahre 0,00% 80 Jahre u. älter 0,00% |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Bewertungsrelation
0,541

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Fallkosten
Arith. MW 1.418,78
Std. Abw. 428,06

Profile: **Hauptdiagnosen** | Nebendiagnosen | Prozeduren | Kosten | Recherche

| Kostenbereich | Personalkosten: | | | Sachkosten: | | | Pers. - u. Sachkosten: | | Summe | | |
|--------------------------------------|-------------------|--------------|--------------------|--------------|-----|--------------------------|------------------------|--------------------|-------|--------------------------|-------|
| | Ärztlicher Dienst | Pflegedienst | med./techn. Dienst | Arzneimittel | | Implantate / Transplant. | Übriger med. Bedarf | med. Infrastruktur | | nicht med. Infrastruktur | |
| | 1 | 2 | 3 | 4a | 4b | 5 | 6a | 6b | | 7 | 8 |
| 01. Normalstation | 104,4 | 238,2 | 22,8 | 11,5 | 1,5 | 0,0 | 18,0 | 0,3 | 52,7 | 225,8 | 675,3 |
| 02. Intensivstation | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0 | 0,0 | 0,0 | 0,1 |
| 04. OP-Bereich | 0,7 | 0,0 | 0,7 | 0,0 | 0,0 | 0,0 | 0,3 | 0,0 | 0,3 | 0,6 | 2,7 |
| 05. Anästhesie | 10,3 | 0,0 | 5,4 | 1,2 | 0,1 | 0,0 | 2,9 | 0,0 | 1,3 | 4,3 | 25,4 |
| 06. Kreißsaal | 113,7 | 0,0 | 328,8 | 17,3 | 0,2 | 0,0 | 34,7 | 0,0 | 25,1 | 143,8 | 663,7 |
| 08. Endoskopische Diagnostik / Ther | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,1 |
| 09. Radiologie | 0,2 | 0,0 | 0,3 | 0,0 | 0,0 | 0,0 | 0,1 | 0,1 | 0,2 | 0,3 | 1,0 |
| 10. Laboratorien | 2,2 | 0,0 | 8,4 | 0,3 | 0,2 | 0,0 | 6,4 | 1,9 | 0,7 | 3,7 | 23,7 |
| 11. Übrige diagnostische und therape | 6,2 | 0,1 | 11,2 | 0,2 | 0,0 | 0,0 | 2,0 | 0,1 | 1,4 | 5,7 | 26,8 |

InEK cost data browser: Average costs for normal birth without comorbidities or complications in German cost calculating hospitals

| | | | | | | | | | | | |
|---------------|-------|-------|-------|------|-----|-----|------|-----|------|-------|---------|
| Summe: | 237,7 | 238,4 | 377,6 | 30,5 | 1,9 | 0,0 | 64,5 | 2,5 | 81,7 | 384,1 | 1.418,8 |
|---------------|-------|-------|-------|------|-----|-----|------|-----|------|-------|---------|

Price setting

- Cost weights
- Base rate(s)
- Prices/ tariffs
- Average vs. “best”

- Based on good quality data (not possible if cost weights imported)
- Average costs vs. “best practice”
- “Cost weights x base rate” vs. “Tariff + adjustment”

Price setting

- Cost weights
- Base rate(s)
- Prices/ tariffs
- Average vs. "best"

| | “cost weight“ (varies by DRG) | | “base rate“ or adjustment |
|----------------|----------------------------------|----------|-------------------------------------------------|
| England | £ 3000 | X | 1.0 – 1.32 (varies by hospital) |
| France | € 3000 | X | 1.0 (+/-) (varies by region and hospital) |
| Germany | 1.0 | X | € 3000 (+/-) (varies slightly by state) |

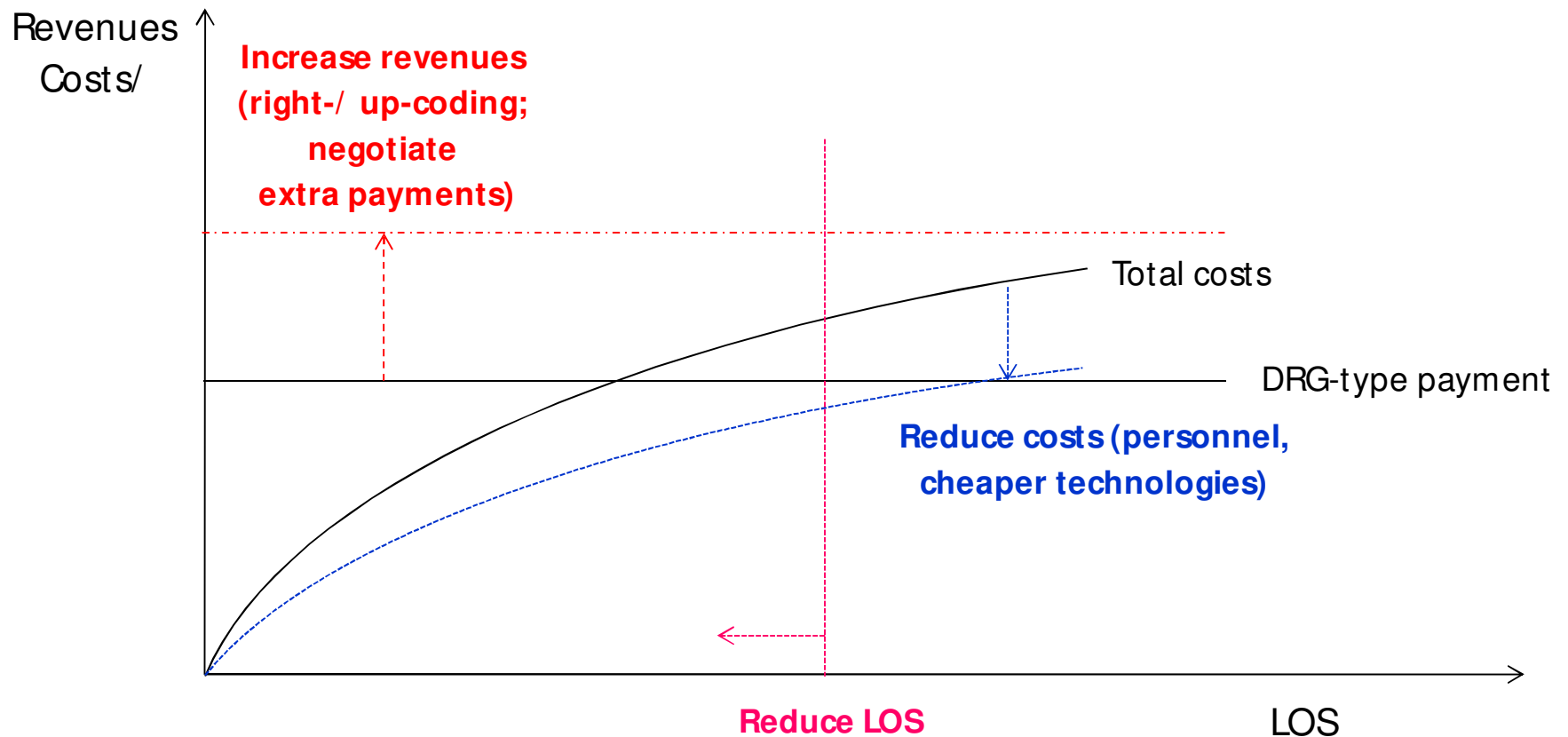
Cost calculation and price setting – country experience

Price setting

- Cost weights
- Base rate(s)
- Prices/ tariffs
- Average vs. “best”

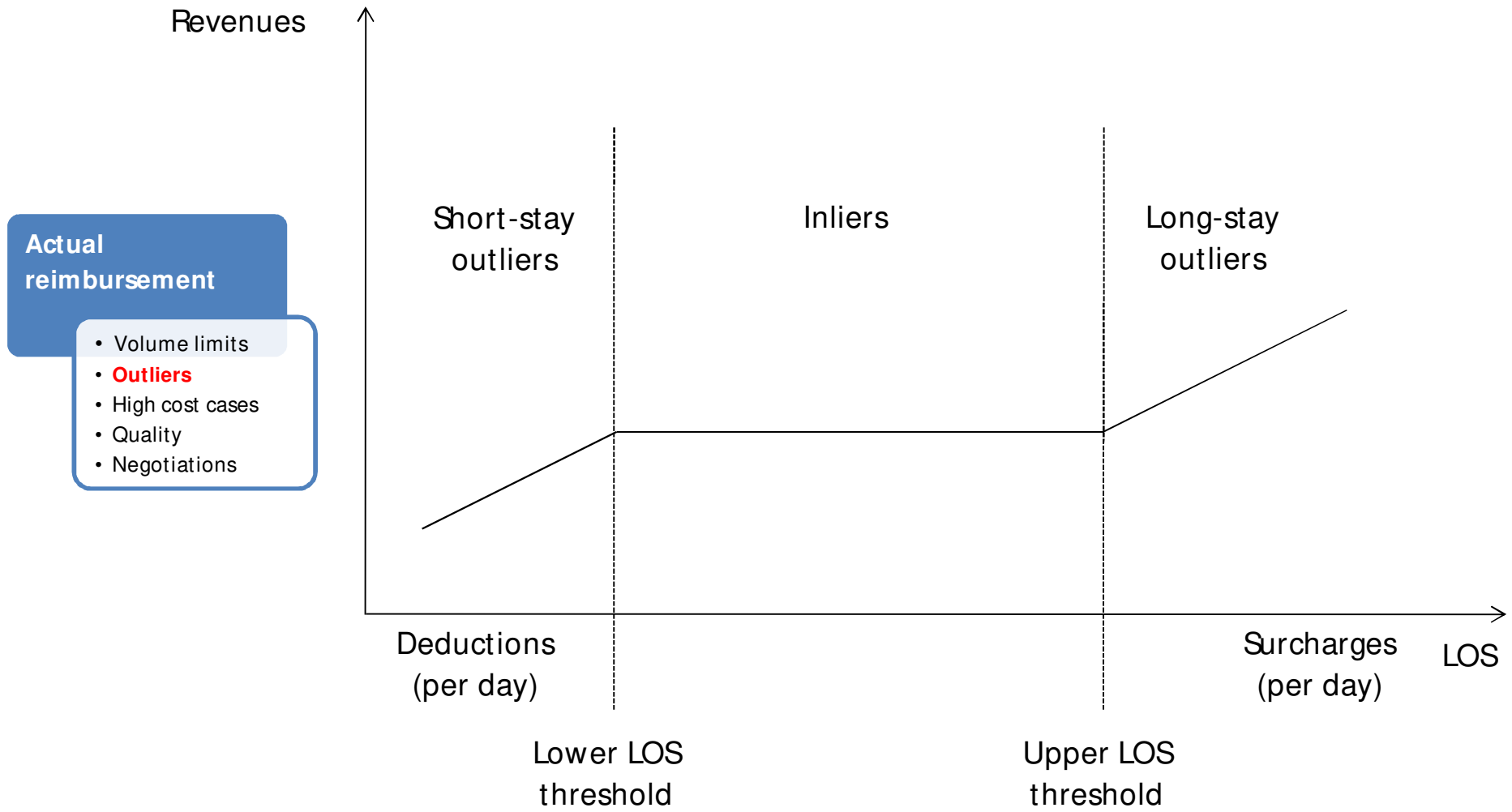
| | England | France | Germany | Netherlands |
|-------------------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------------|
| Cost data collection methodology to determine payment rate | | | | |
| Sample size (% of all hospitals) | All NHS hospitals | 99 hospitals (5%) | 253 hospitals (13%) | Resource use: all hospitals; unit costs: 15-25 hospitals (24%) |
| Cost accounting methodology | Top down | Mix of top-down and bottom-up | Mainly bottom-up | Mainly bottom-up |
| Calculation of hospital payment | | | | |
| Payment calculation | Direct (price) | Indirect (cost-weight) | Indirect (cost-weight) | Direct (price) |
| Applicability | Nationwide (but adjusted for market-forces- factor) | Nationwide (with adjustments and separate for public and private hospitals) | Cost-weights nationwide; monetary conversion state- wide | List A: nationwide List B: hospital specific |
| Volume/ expenditure limits | No (plans exist for volume cap) | Yes | Yes | List A: Yes List B: Yes/No |

Options to avoid deficits under activity based payments



How DRG systems try to counter-act such behaviour:

1. long- and short-stay adjustments



How DRG systems try to counter-act such behaviour:

2. Fee-for-service-type additional payments

Actual reimbursement

- Volume limits
- Outliers
- **High cost cases**
- Quality
- Negotiations

| | England | France | Germany | Netherlands |
|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| Payments per hospital stay | One | One | One | Several possible |
| Payments for specific high-cost services | Unbundled HRGs for e.g.: <ul style="list-style-type: none"> • Chemotherapy • Radiotherapy • Renal dialysis • Diagnostic imaging • High-cost drugs | Séances GHM for e.g.: <ul style="list-style-type: none"> • Chemotherapy • Radiotherapy • Renal dialysis Additional payments: <ul style="list-style-type: none"> • ICU • Emergency care • High-cost drugs | Supplementary payments for e.g.: <ul style="list-style-type: none"> • Chemotherapy • Radiotherapy • Renal dialysis • Diagnostic imaging • High-cost drugs | No |
| Innovation-related add'l payments | Yes | Yes | Yes | Yes (for drugs) |

How DRG systems try to counter-act such behaviour:

3. adjustments for quality

Actual reimbursement

- Volume limits
- Outliers
- High cost cases
- **Quality**
- Negotiations

- England & Germany: no extra payment if patient readmitted within 30 days
- Germany: deduction for not submitting quality data
- England: up 1.5% reduction if quality standards are not met
- France: extra payments for quality improvement (e.g. regarding MRSA)

List B–DBCs as basis for price negotiations in the Netherlands

Actual reimbursement

- Volume limits
- Outliers
- High cost cases
- Quality
- **Negotiations**

Table 1 Negotiated prices in 2007 and 2004 for seven list B DBCs at four health insurers

| | 2004 price (€) | Minimum 2007 price (€) | Maximum 2007 price (€) | Mean 2007 price (€) | Price increase (%) |
|------------------------|----------------|------------------------|------------------------|---------------------|--------------------|
| Hip replacement | 8571 | 7603 | 11370 | 9097 | 6.3 |
| Knee replacement | 10228 | 9097 | 13000 | 10746 | 5.1 |
| Inguinal hernia repair | 2163 | 1529 | 3088 | 2254 | 4.2 |
| Diabetes | 409 | 385 | 1027 | 483 | 18.1 |
| Tonsillectomy | 740 | 433 | 1498 | 800 | 8.1 |
| Cataract | 1317 | 1044 | 1599 | 1381 | 4.8 |
| Spinal disc herniation | 3046 | 2413 | 5778 | 3308 | 8.6 |

Implementation: Not from one day to the next - the long way of DRG introduction in Germany

| | 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) Discussion on future policy |
| | | <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>Statewide 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"> • Nationwide base rate • Fixed or maximum prices • Selective or uniform negotiations • Quality Assurance (adjustments) • Budgeting (amount of services) • Dual Financing or Monistic |

European countries have developed – and are continuously modifying – their own DRG systems, which

- classify patients into more groups,
 - give a higher weight to procedures and to setting,
 - base payment rates on actual average (or best-practice) costs,
 - pay separately for high-cost and innovative technologies,
 - are implemented in a step-wise manner, and
- thus reduce, or even avoid, the potential of risk selection and under-provision of services.

Final conference regarding policy conclusions on 17 November 2011 in Berlin:

- Are hospital services and costs across European countries really so different to justify different systems for patient classification and cost weights? Could cost differences not be handled through base rate adjustments (as in the US)?
- What do we know regarding the effects on hospital efficiency and quality of service delivery under DRGs?



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Diagnosis Related Groups in Europe: Moving towards transparency, efficiency and quality in hospitals

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About the book

DRG systems were introduced in Europe for similar reasons: first, they should increase the transparency of services which are effectively provided in hospitals and second, DRG-based payment systems should give incentives for the efficient use of resources. In addition, the combination of increased transparency and efficient use of resources was assumed to contribute to improving ' or at least assuring ' the level of quality of care. Today, after more than a decade of experience with using DRGs in Europe, it's time to consider whether the extensive use of DRGs has contributed towards achieving these aims.

This book is a result of the EuroDRG project. It includes chapters on the key issues of DRGs (efficiency, quality, unintended effects, and technological innovation) and 12 country chapters (Austria, England, Estonia, Finland, France, Germany, Ireland, the Netherlands, Poland, Portugal, Spain, Sweden) that provide clearly structured and detailed information about the most important DRG system characteristics in each of the countries which take part in the EuroDRG project.

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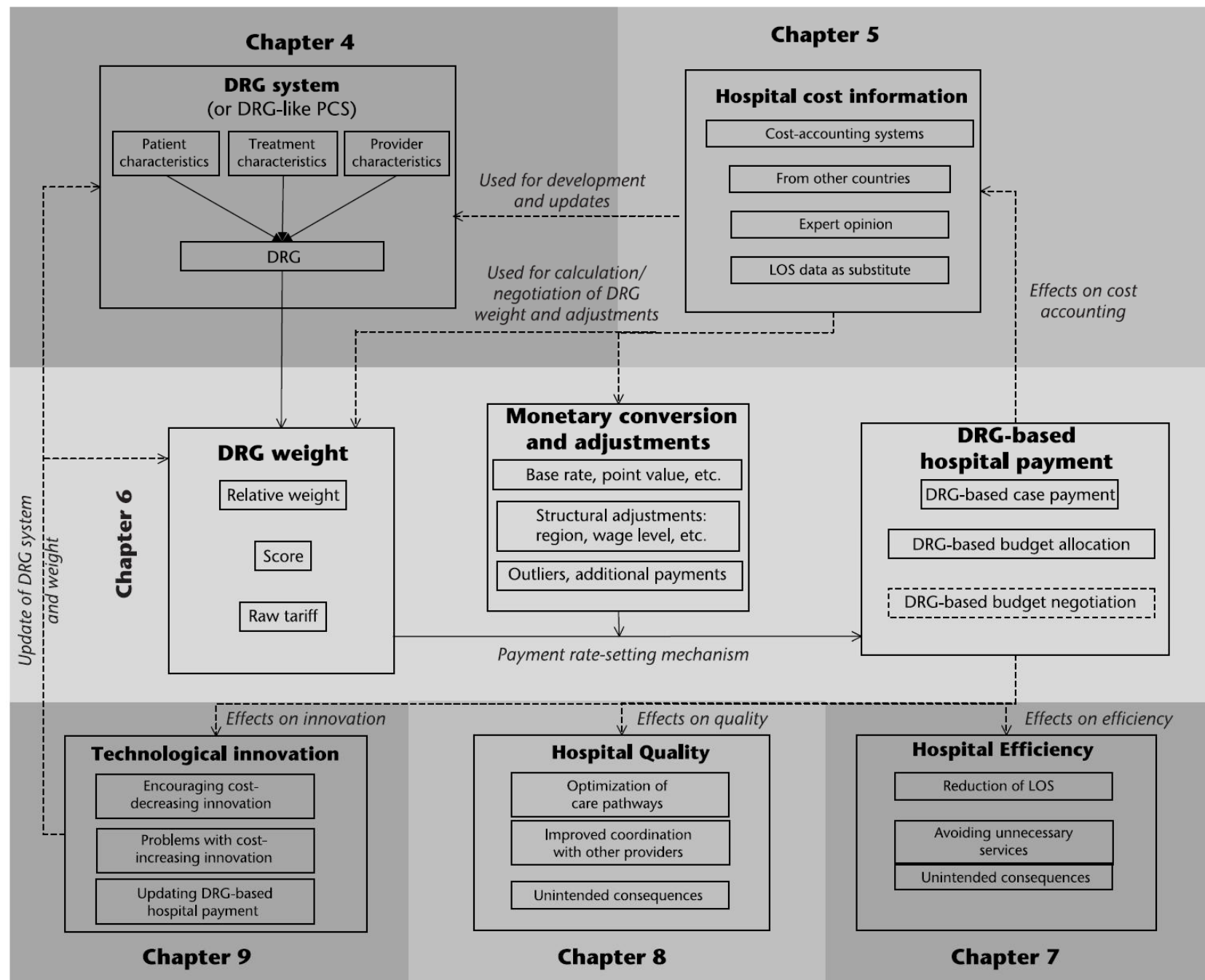


Figure 3.1 Framework for navigating through the book



Countries covered by EuroDRG project

| | |
|-------------|---------------------------------------------------------------------------------------------------------------------------|
| Austria | Department for Medical Statistics, Informatics and Health Economics, Innsbruck Medical University |
| England/ UK | Centre for Health Economics, University of York |
| Estonia | PRAXIS Center for Policy Studies, Tallinn |
| Europe | European Health Management Association, Brussels |
| Finland | National Institute for Health and Welfare , Helsinki |
| France | École des hautes études en santé publique, Rennes & Institut de recherche et documentation en économie de la santé, Paris |
| Germany | Department of Health Care Management, Technische Universität Berlin |
| Ireland | Economic and Social Research Institute, Dublin |
| Netherlands | Institute for Health Policy & Management, Erasmus Universitair Medisch Centrum Rotterdam |
| Poland | National Health Fund, Warsaw |
| Portugal | Avisory board member Céu Mateus |
| Spain | Institut Municipal d'Assistència Sanitària, Barcelona |
| Sweden | Centre for Patient Classification, National Board of Health and Welfare, Stockholm |