

SGORL Summer School From Fee-for Service To DRG A Paradigm Change

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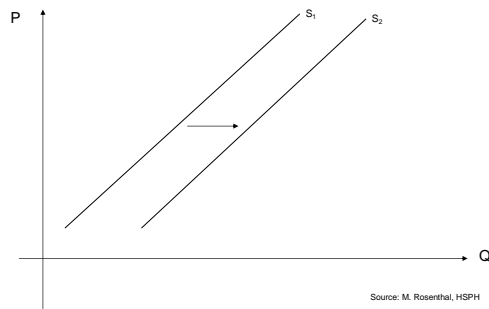
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SGORL Summer School From Fee4Service To DRG Contents

- Supply and demand
- What are ways of provider remuneration?
- What is Fee for Service?
- What does DRG stand for?
- How does the payment type influence incentives?
- Conclusions

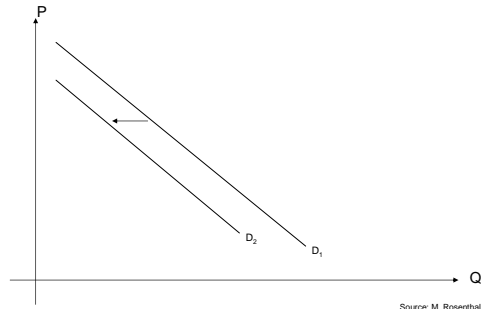
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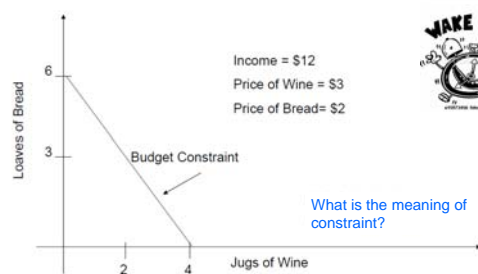
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SGORL Summer School From Fee4Service To DRG Types of Provider Remuneration

- Salary
- Service oriented payments
 - Capitation
 - Fee for Service
 - DRG

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Remuneration: Salary



- What is salary?
- How does salary influence provider behavior?



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Remuneration: Capitation



- What is the definition of capitation?
- How will physicians under capitation behave?



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From Fee4Service To DRG

What is Fee-for-Service?



- Definition
- What are the consequences of FFS?

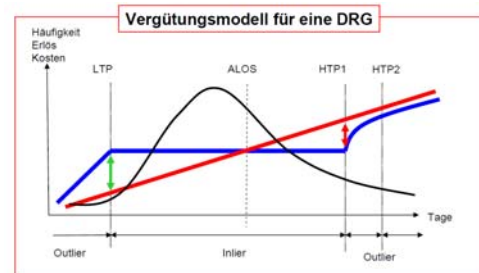


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What does DRG stand for?



Source: DRG team University Hospital Basel 10

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What does DRG stand for?



Kennzahlen im DRG-System		
ALOS	Average length of stay	Durchschnittliche Aufenthaltsdauer
LTP	Low trim point	Untere Grenzwelldauer
HTP	High trim point	Obere Grenzwelldauer
LOS	Length of stay	(Effektive) Aufenthaltsdauer eines Falls
CW	Cost weight	Relatives Kostengewicht einer DRG in Relation zu allen, schweizweit gleich > 1 DRG-Kosten grösser als Durchschnitt < 1 DRG-Kosten niedriger als Durchschnitt
BR	Baserate	Betrag, der von jedem Spital mit Tarifpartner ausgehandelt wird.
CM	Case Mix (Case Load)	Summe aller CW eines Spitals
CMI	Case Mix Index	Durchschnittswert der CW (CM/Fälle)

Für die Rechnungsstellung gilt: $CW \times BR = \text{Rechnungsbetrag}$

Table: DRG team University Hospital Basel 11

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From Fee4Service To DRG

Payment Types and Incentives



Payment

- Salary
- Service oriented payments
 - Capitation
 - Fee for Service
 - DRG

Incentives

- Rehospitalizations?
- Number of patients?
- Adverse selection?
- Provider motivation? (Jencks S, NEJM 2009;360:1418)




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Conclusions



- Different payment types
 - Fee for service
 - DRG
 - Capitation
 - Payment type matters (incentives!)
 - Incentives regulate market, cash flow (provider activity)
-  Paradigm change