



DIAGNOSIS RELATED GROUPS: LEADING THE DEBATE

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DRGs in Practice 1

Health care provider Perspective

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Presentation

- Project Director Angereds närsjukhus, Region Västra Götaland
- Background- Former Director of Quality Improvement at Sahlgrenska University Hospital and at the Swedish Association of Local Authorities and Regions
- Chief executive in social services and health-care
- No expert on DRG!



DRG in Sweden and the Nordic countries

- There is a nordic version of DRG, the NordDRG. It uses definitions based on ICD-10 and NCSP (the NOMESCO Classification of Surgical Procedures). The first grouper was completed in 1996. The grouper is updated yearly according to the NordDRG maintenance process.
- The NordDRG system definitions are produced in national versions for Denmark, Finland, Norway, Sweden and Estonia (2003). There is also an English language NordDRG version based on the common Nordic components of ICD-10 and NCSP. This version is used in Iceland. In 2003, an extended NordDRG version was developed that also includes national modifications to the logic using national codes that are unique to some of the countries
- http://www.nordclass.uu.se/verksam/ncsp_comp.htm



The use of NordDRG

- NordDRG is currently in use:
- nationwide in hospitals in Norway
- in the majority of the regional health care administrations in Finland
- in trial in Iceland
- Denmark has developed a modified DRG system (DkDRG) based on NordDRG that was introduced in 2002
- The Nordic Centre has developed an Estonian NordDRG version that was implemented starting in 2003.
- There is also an agreement with the Latvian Health Ministry regarding the right to use NordDRG in Latvia



Sweden's decentralised health care system

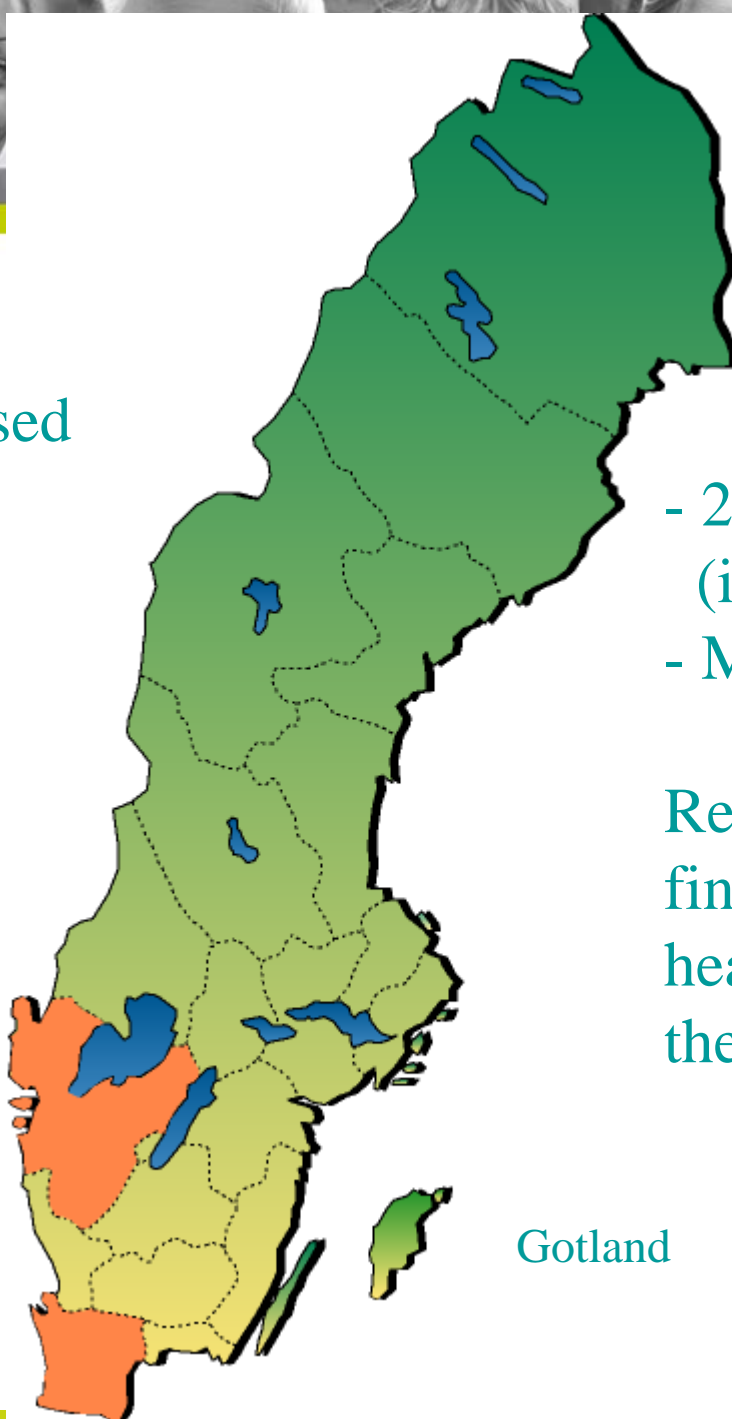
- 20 county councils (incl 2 regions)
- Municipality Gotland

Responsible for financing and providing health care services for the entire population

Västra Götaland Region

Skåne Region

Gotland





The use of DRG in Sweden

- All county councils/regions use DRG (NordDRG)
- It is mainly used for three purposes:
 - As a way to describe what is being done
 - As a budget instrument
 - For pricing
- The counties use DRG in any given combination of the above



Regional comparisons in Sweden

- 75 indicators in a straightforward model of presentation
- In this report, 75 quality and performance indicators are used to compare the county councils and regions. They are grouped and presented as follows:
 - • A Medical Results 48 indicators
 - • B Patient Experiences 10 indicators
 - • C Availability of care 4 indicators
 - • D Costs 13 indicators



Financing of hospitals in Sweden

- Different systems in different counties and changing frequently...
- Most often a combination of fixed budget, DRG, PFP, capitation, targeted goals



Problems with the use of DRG

- Complicated coding process
- Does not reward quality
- Does not promote process improvement



From the hospital managers point of view....

- DRG was designed to help the hospital leaders
- It is used mainly to control and finance
- Focus in leading healthcare has been on controlling costs
- Quality and results are coming into focus
- No one system can provide the perfect instrument
- Dialogue based on facts