

Contact

Background information on Swiss fixed rate per case payments:

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The following are supporting organisations of the SwissDRG AG:



The Swiss Conference of the Cantonal Ministers
of Public Health (GDK)
www.gdk-cds.ch



H+ Swiss Hospital Association
www.hplus.ch



santésuisse Association of Swiss Health Insurers
www.santesuisse.ch



Swiss Medical Association (FMH)
www.fmh.ch

Medical Tariff Committee for Accident Insurance, Military
Insurance/Disability Insurance (Medical Tariff Committee)
www.zmt.ch

Fixed rate per case payments in Swiss hospitals

Basic information for healthcare professionals



«Quality and costs form the basis for the assessment of a hospital service. Thanks to the new standardised financing throughout Switzerland the transparency and comparability of costs are increased. At the same time quality is assured with accompanying measures. The bottom line is that everyone benefits.»

Dr. Thomas Heiniger, Member of the Cantonal Government, Director of Health, Canton of Zurich

What is the SwissDRG?

The SwissDRG (Swiss Diagnosis Related Groups) is the national tariff system used to reimburse Swiss hospitals for inpatient acute hospital services, which according to the latest revision of the Swiss Federal Health Insurance Law (KVG) uniformly regulates the remuneration of inpatient hospital services under fixed rate per case payment schedules that apply throughout Switzerland. In the fixed rate per case system SwissDRG each hospitalization is assigned to a case group (pool) based on specific criteria yet similar for all individuals in the group, e.g. the primary diagnosis, secondary diagnoses, treatments, and degree of severity, the pool is then provided with a cost weight. The remuneration is calculated by multiplying the cost weight of the DRG with the base rate set by the cantons.

The SwissDRG tariff system was introduced with effect on 1st January 2012.

Broad range of support

The authority responsible for the creation and development as well as the adaptation and maintenance of the SwissDRG is the SwissDRG AG. It is tasked with implementing the legal mandate, which the Swiss parliament passed in December 2007. The non-profit public limited company was established on the 18th January 2008 and is a joint institution between the medical service providers, the insurers and the cantons. The broad range of support ensures that the demands and requirements of the new remuneration system are met. The SwissDRG AG and its partners provide joint support to enable continued development of the Swiss fixed rate per case system for the benefit of patients, payers of insurance premiums and taxpayers.

«In order to remain competitive hospitals must consistently provide their services at a high level of quality and at reasonable prices. Fixed rate per case payments create favourable conditions for this. More transparency and accurate costing encourages competition between hospitals and all patients benefit from this.»

Verena Nold

Director of santésuisse – The Association of Swiss Health Insurers

Critical points and facts

1. The autonomy of physicians is limited with a fixed rate per case payments

Fixed rate per case payments serve as the basis for the reimbursement of categorized healthcare services. The fixed rate per case payments do not have a direct influence on the medical treatment selected by physicians. Hence the physicians' choice of medical treatment is maintained. The tense relationship between medical and economic logic in the hospital is neither increased nor resolved by fixed rate per case payments.

2. Fixed rate per case payments do not improve the quality of inpatient hospital treatment and care

The quality of treatment and care is monitored independently and inter alia on the basis of the classification of patients and services implemented according to the SwissDRG. The tariffs are designed so as to ensure the level of quality attained to date is maintained and can also be improved through opportunities of comparison.

3. Fixed rate per case payments are an invitation to perform operations that are not medically justified and pose a threat to the (integrated) treatment of patients

The choice of medical treatment is made independently of the subsequent charge for the individuals' hospital stay. Only on completion of the treatment is pricing, in accordance with the SwissDRG applied. It is thus guaranteed that during treatment all necessary measures are taken according to medical considerations, irrespective of subsequent payment – even in the event of unexpected complications or adverse events.

4. Due to profit considerations, the per case fixed rate reimbursements lead to patients being discharged prematurely

In the structure and calculation of the per-case fixed rate payment of each treatment, the necessary services of and the number of hospitalization days needed in a particular medical intervention are precisely determined and accounted for. Hospitals have a great deal of interest in ensuring that patients are not discharged too early because if within a certain time frame a patient is re-hospitalised a deduction in the initially set per-case fixed rate payment is incurred.

Improvements thanks to the SwissDRG per-case fixed rate payments

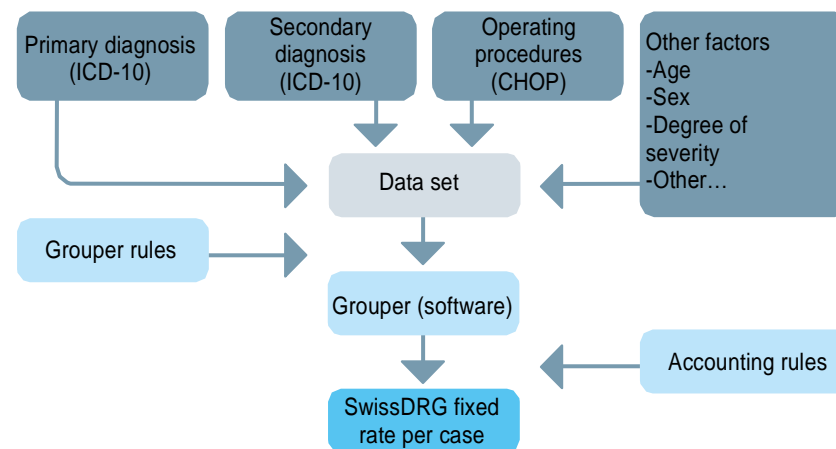
- With fixed rate per case payments the costs for medical services in hospitals become comparable and transparent
- Performance-related remuneration is made possible.
- Fixed rate per case payments contribute to an economically viable healthcare system in Switzerland.
- Fixed rate per case payments help hospitals to utilise existing saving potentials and optimise processes. With the increasingly limited financial (?) resources for public services and an aging population it is necessary to treat patients as efficiently as possible and safeguarding a high level of quality. The savings could be made available for particularly costly treatments for example
- Fixed rate per case payments boost a process-oriented thinking within the hospital and between different service providers. They thus increase co-operation between the specialized disciplines and institutions.
- Fixed rate per case payments simplify intercantonal hospital planning.
- Patients benefit in the long-term from a co-ordinated treatment process and the increasing quality-based competition between the service providers.

«Since the introduction of the fixed rate per case system SwissDRG the university hospitals are particularly exposed financially. We therefore support a tariff structure and tariffs, which adequately reflect and reimburse the services of Swiss hospitals whilst maintaining the highest quality of medical and nursing care.»

Dr. Werner Kübler, Vice President of H+ The Swiss Hospital Association and Member of the Board of Directors of SwissDRG AG; Director of the University Hospital of Basel

How does the SwissDRG system work?

Hospital cases are allocated to a case group/ pool on the basis of certain medical criteria, e.g. primary and secondary diagnoses, the birth weight in case of new-borns, treatments and administrative data, such as age, sex, type of hospital discharge, and other factors. Each hospitalisation is assigned to a specific DRG using a grouping software (called Grouper). The level of the cost weights of every SwissDRG - per-case fixed rate is recalculated yearly on the basis of the actually incurred costs and is published in the per-case fixed rate catalogue (in German, Fallpauschalkatalog).



ICD-10: International Classification of Diseases, 10th revision. It is used for the coding of diagnoses of medical treatment.

CHOP: Swiss Classification of Surgical Interventions. It is used for the coding of operations and treatments.

The Definitions manual records how the grouper software determines the DRG assignment and provides detailed information on the classification of the individual case groups. This manual and the full fixed rate per case catalogue are found at www.swissdrg.org.

The SwissDRG system is continuously undergoing development, taking into account the medico-technical advances and the expertise of healthcare professionals, thus ensuring that the changing reality of care provision is represented in system.

Accompanying measures for promoting quality

The welfare of patients is paramount. Irrespective of the type of tariff system, healthcare professionals decide alone on the necessity of medical interventions. Furthermore, the system is continuously optimised by independent accompanying measures providing guidance and the opportunity for participation of healthcare professionals.

Every tariff system, irrespective of whether or not it is based on fixed rate per case payments, contains economic incentives, which without appropriate regulations may lead to a limitation of the optimum quality of treatment. In order to counteract these types of incentives the SwissDRG AG, together with its partners, has developed concrete regulations, which include:

1. Length of hospital stay

In order to counteract the economic incentive of a premature discharge, hospitals have to accept a deduction on their fixed rate per case if the patient remains in hospital for a shorter period of time than is usual for the existing medical condition. Furthermore, hospitals receive no additional payment if a patient has to be rehospitalised within a specified period of time due to the same medical condition or in case of complications. Certain symptoms, with which regular rehospitalisation is medically justified are exempt from this regulation.

2. Quality of medical treatment

Various DRG studies have shown that patients do not suffer as a result of economic efficiency. In Switzerland the National Association for the Development of Quality in Hospitals and Clinics (ANQ) and the Swiss Hospital Association H+ have developed measurement criteria. They regularly publish their reports on the development of quality of treatment in Swiss hospitals (www.anq.ch).

3. Further and advanced training of medical and nursing staff

The partners in the healthcare system are currently working on solutions to ensure that hospitals, which are committed to further and advanced training, are not financially disadvantaged compared with those that do not provide further training.

4. Interaction of inpatient and outpatient treatment

Experiences from abroad show that as a result of the introduction of fixed rate per case payments more treatments are performed on an outpatient basis and patients are transferred earlier from hospital to rehabilitation and/or nursing facilities. This development is desirable and normally it is medically advisable as well. Fixed rate per case payments boost co-operation between different service providers and reduce duplication of treatment. Moreover, a certain shift is emerging from the inpatient to the outpatient sector. The future development of costs and services in hospitals is monitored in accordance with the legal mandate.

«Patients want high quality care. In order to ensure that this is maintained in the Swiss healthcare system, a sound framework is required. Performance-related remuneration is essential – this also applies to extreme cost cases.»

Dr. med. Pierre-François Cuénoud, Vice President of the Swiss Medical Association (FMH), Executive Responsible for the Department of Tariffs and Health Economics, Hospital Physicians