

Brief outline of SwissDRG AG and its functions

Since 2012 hospitals and clinics in Switzerland have billed for inpatient stays –when patients stay overnight – using national tariff structures in the form of flat rates per case. A total of three national tariff structures were developed for remuneration for inpatient treatments in Swiss hospitals and clinics: SwissDRG for acute care, TARPSY for psychiatry and ST Reha for rehabilitation.

Functioning of these tariff structures essentially involves multiplying two components: The first is known as the cost weight for the treatment performed, for example an appendectomy. This is identical for all hospitals. The second component is the base price – also known as the base rate – which varies from hospital to hospital. The cost weight denotes the average treatment cost for a medically defined patient group and is calculated by SwissDRG AG, usually annually, based on cost and service data from hospitals. However, SwissDRG AG has no influence on the base rate. This rate is negotiated by the hospitals and clinics with the insurers and, if they cannot agree, the canton will set the tariffs.

Economic and transparent development thanks to adaptive system

For more than ten years SwissDRG AG has continually refined the model of flat rates per case in Switzerland on the basis of cost and service data provided by hospitals. The legal basis lies in the Swiss Federal Health Insurance Act (*Krankenversicherungsgesetz, KVG*). The introduction of SwissDRG in 2012 was followed by the TARPSY tariff structure for psychiatry in 2018 and the ST Reha tariff structure for rehabilitation in 2022 with length of stay-dependent flat rates (daily flat rates).

Who reviews and approves changes to the model?

Every amendment to the SwissDRG, TARPSY and ST Reha tariff structures has to be approved by the tariff partners as well as the Federal Council. The tariff partners include the H+ association of hospitals, the two associations of health insurers santésuisse and curafutura as well as the Medical Tariff Commission UVG (MTK), which represents the interests of accident, disability and military insurance. These, together with the Swiss Conference of Cantonal Ministers of Public Health (GDK) and the Swiss Medical Association (FMH), form the supporting organisation and the strategic body (Board of Directors) of SwissDRG AG. Operational management of SwissDRG AG is the responsibility of the CEO and members of senior management.

Why are there flat rates per case or daily flat rates?

The flat rates per case and daily flat rates have helped to create clear and uniform framework conditions for funding of the Swiss hospital system. The purpose is to improve the transparency and comparability of services and costs between hospitals. The system provides incentives for high quality and medically reasonable treatments. Continual updating guarantees that development of the tariff structures incorporates medical advances and new treatment approaches.