

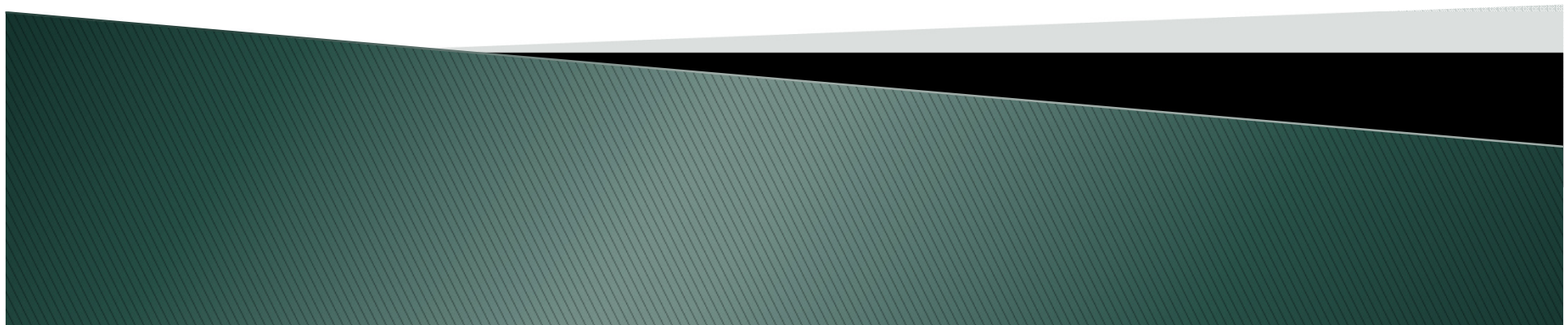
Specialty Costing Workshop



2015 Activity-Based Funding Conference

Royal College of Surgeons in Ireland
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Introduction

- ▶ DRGs is a system of classifying patients based on their
 - principal diagnosis and co-morbidities,
 - procedures and
 - complications,
- ▶ Basis for calculation of public hospital funding in many countries.
- ▶ Each acute admitted patient is assigned a DRG and
- ▶ DRG will determine the Weighted Units for each patient
- ▶ Weighted Units (Previously Casemix Unit – CMU) = Price

1st character of code			
	Major diagnostic category/Specialty		
MDC	Description/Specialty	MDC	Description/Specialty
A	Pre MDC	O	Obstetric
B	Neurology And Cranial	P	Neonatal
C	Ophthalmology	Q	Haematologic Incl. Spleen
D	Head And Neck And Ent	R	Lymphoma, Leukaemia, Chemotherapy, Radiotherapy
E	Respiratory And Thoracic	S	Hiv Related
F	Cardiovascular And Cardiac	T	Septicaemia, Post-Op Infections, Puo, Viral Infections
G	Gastroenterology And Abdominal	U	Mental Health
H	Hepatobiliary	V	Drug And Alcohol
I	Orthopaedic Incl. Spinal Surgery, Soft Tissue And Hand Injuries	W	Multi-Trauma
J	Skin, Plastics, Breast	X	Other Trauma, Allergic Reactions, Poisoning, Complications
K	Endocrine	Y	Burns
L	Renal And Urologic	Z	Rehabilitation, diagnoses of other contacts with health, signs and symptoms only, post-op review
M	Male Genital Incl. Prostatic	8	Procedures Unrelated To Principal Diagnosis
N	Female Genital / Gynaecology	9	Ungroupable (called Error DRG)

2nd and 3rd characters

Identify the adjacent DRG and it's partition, usually most to least complex:

x01x - x39x	Surgical DRGs
x40x - x59x	Other non-surgical procedural DRGs (eg. endoscopy)
x60x - x99x	Medical DRGs

Last character

- ▶ Represents the resource consumption split within an adjacent (the same condition) DRG
- ▶ split is based on PCCL (Patient Clinical Complexity Level),
 - malignancy,
 - same day status,
 - mode of discharge,
 - length of stay, and
 - specific diagnoses or procedures

e.g.

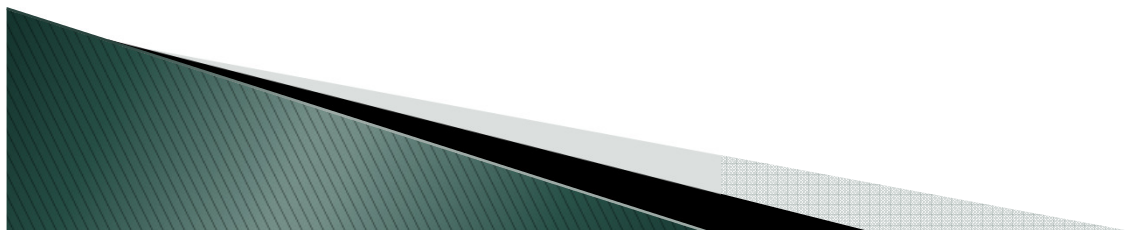
- ▶ A – highest consumption of resources (eg. with catastrophic CC)
- ▶ B – second highest consumption of resources (eg. with severe CC)
- ▶ C – third highest consumption of resources (eg. without catastrophic or severe CC)
- ▶ D – fourth highest consumption of resources (eg. died or transferred < 5 days)
- ▶ Z – no split for the ADRG
 - CC = specific complication and/or co-morbidity codes

these are likely to increase resource utilisation and thus costs

- ▶ Fiachra – Price setting process using
 - PLC result and
 - Specialty costing

- ▶ Highlight
 - Need to participate in PLC and
 - Why Specialty costing is required

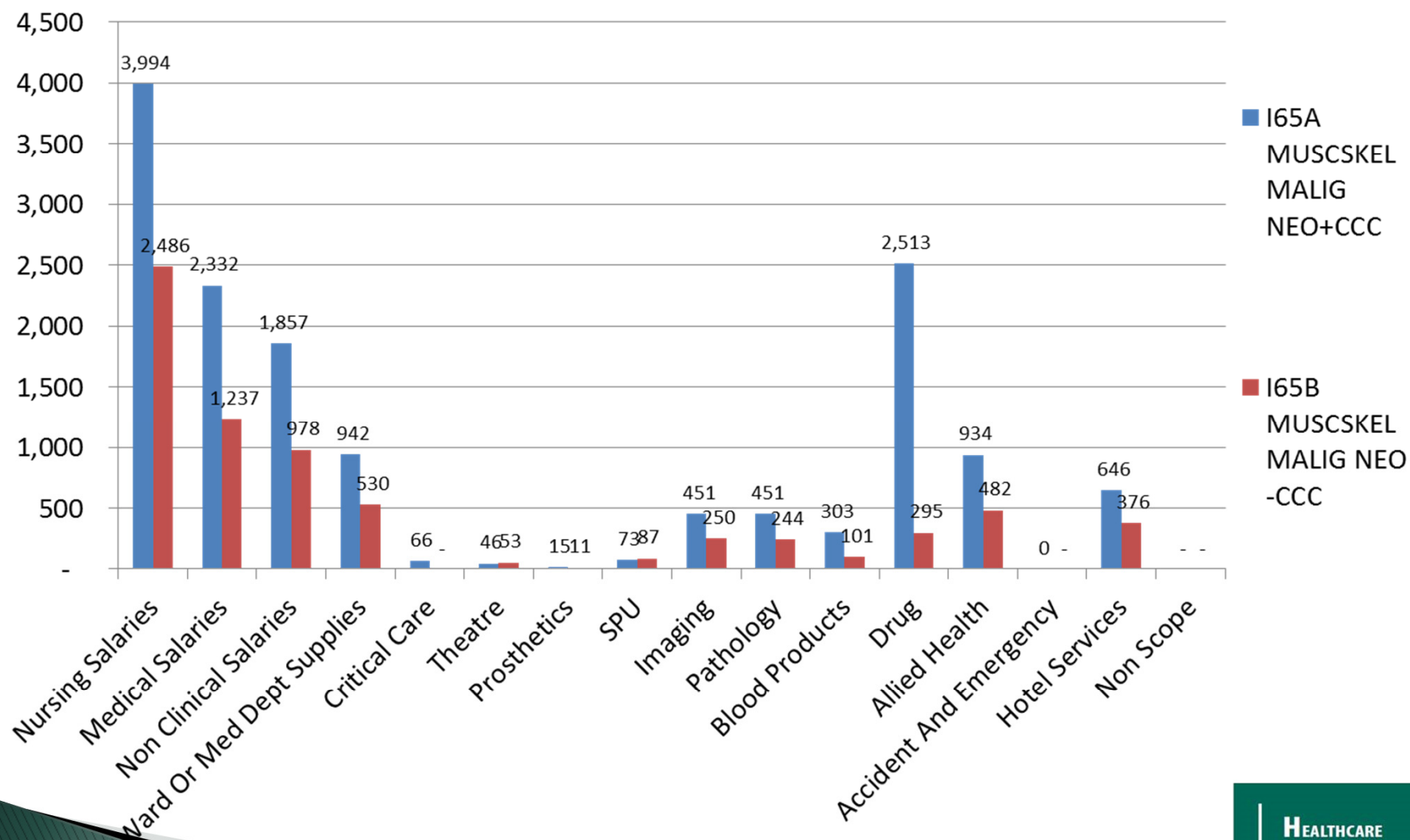
- ▶ Section 2 – a short example of PLC result



Example of PLC result 2013

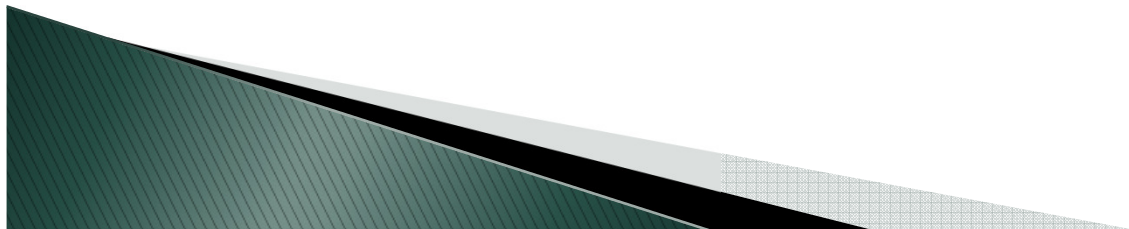
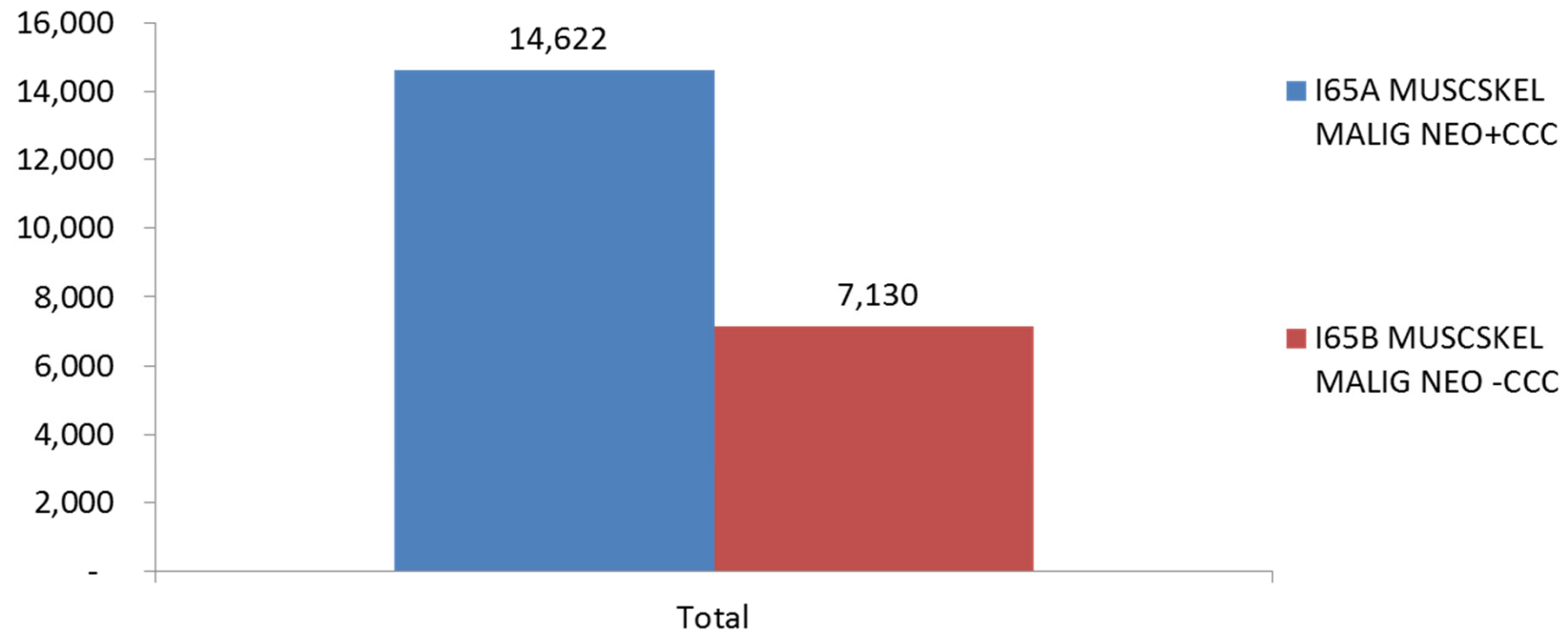
DRG Code	DRG Name	Number of Cases	Average Total Cost
			€
I65A	MUSCSKEL MALIG NEO+CCC	72	14,622
I65B	MUSCSKEL MALIG NEO -CCC	405	7,130
I66A	INFLM MUSCL DSR +CSCC	133	14,427
I66B	INFLM MUSCULSKTL DSR -CSCC	297	7,203
I67A	SEPTIC ARTHRITIS + CSCC	27	14,395
I67B	SEPTIC ARTHRITIS - CSCC	36	5,459
I68A	NON-SURG SPINAL DISORDERS +CC	469	8,161
I68B	NON-SURG SPINAL DISORDERS -CC	657	3,615
I68C	NON-SURG SPINAL DISORDERS, SD	2	554

Musculoskeletal Malignant Neoplasms

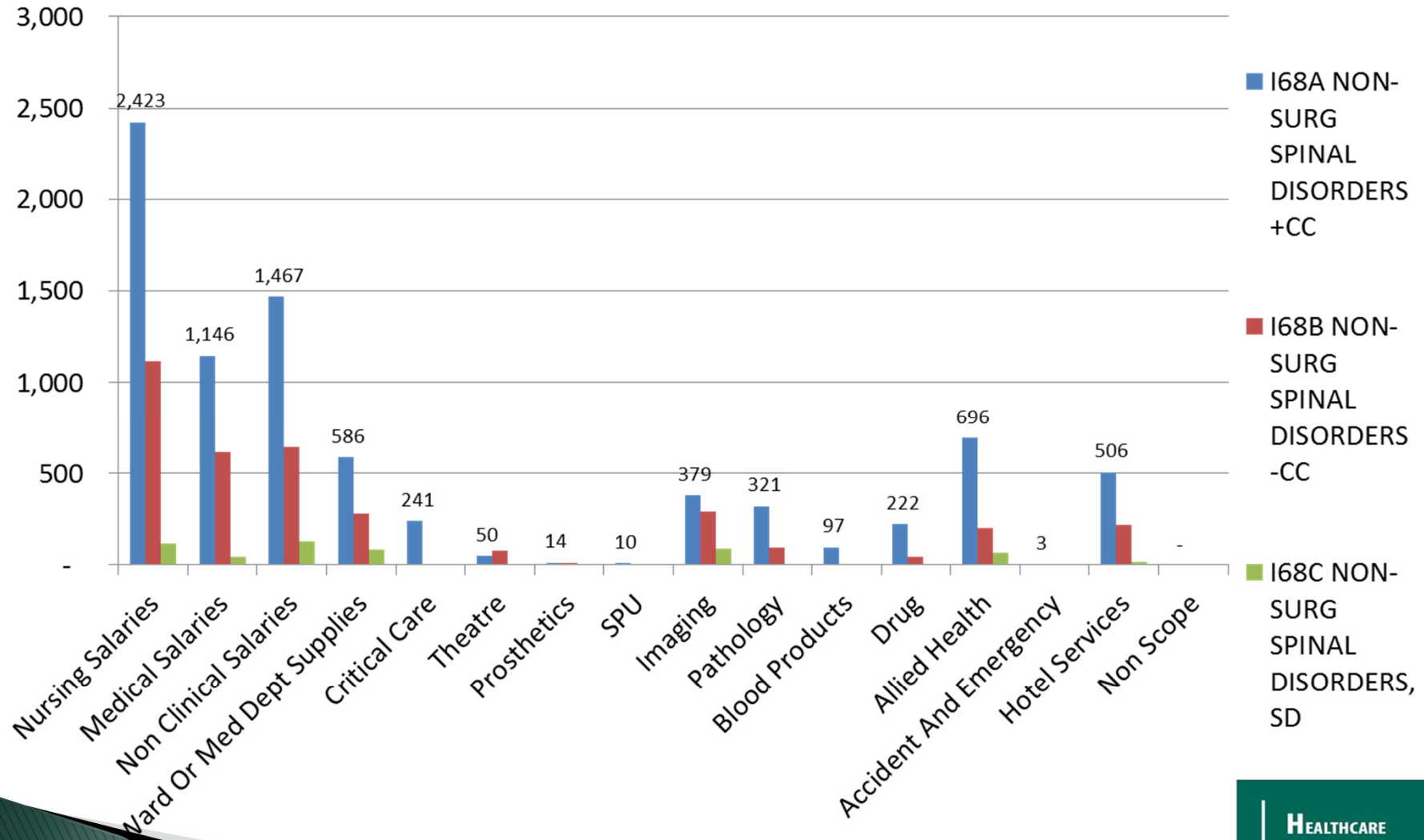


Result – Musculoskeletal Malignant Neoplasms Cost

Musculoskeletal Malignant Neoplasms

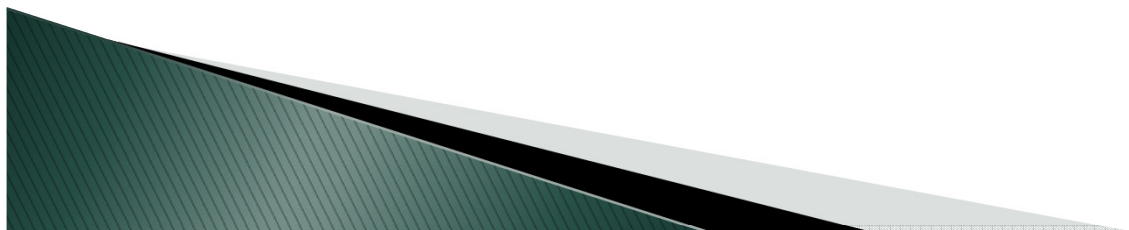
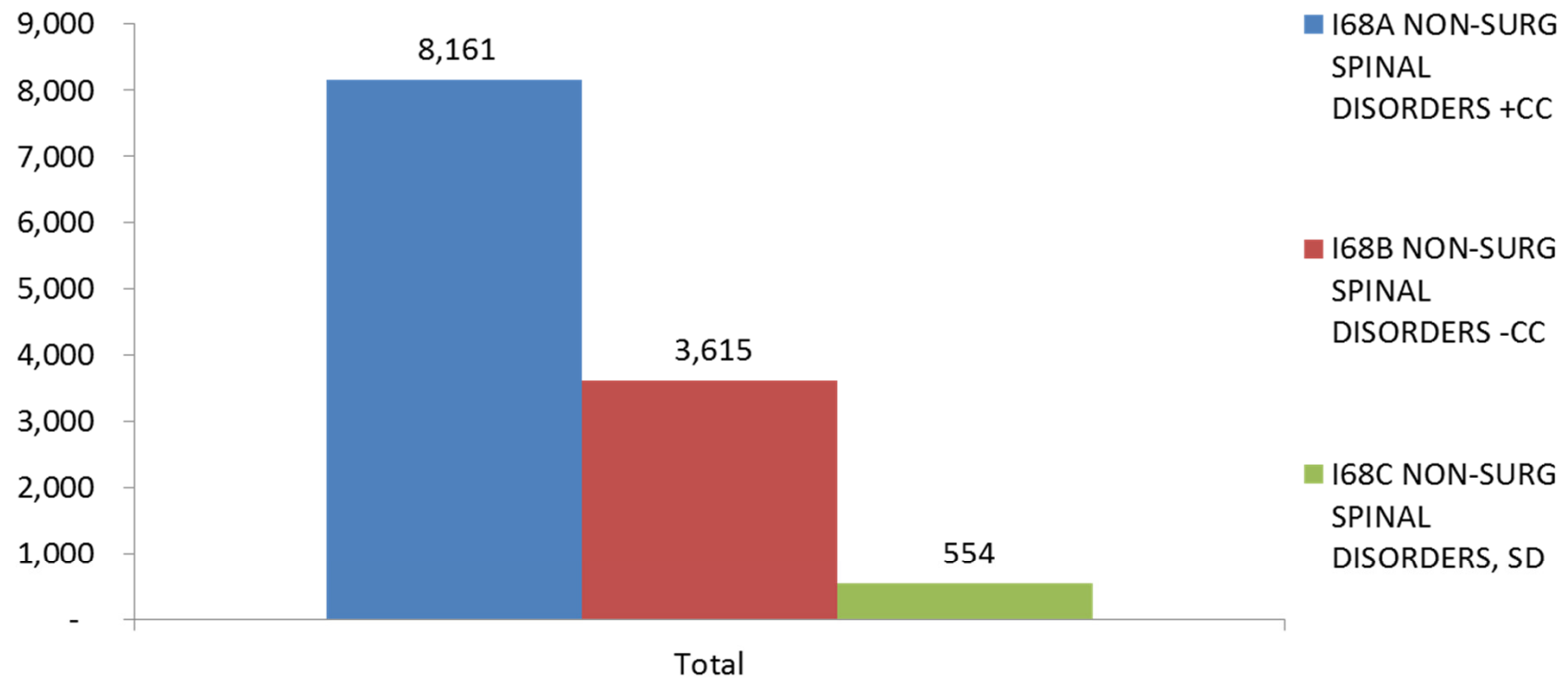


Non-surgical Spinal Disorders



Result – Non-surgical Spinal Disorders Cost

Non-surgical Spinal Disorders

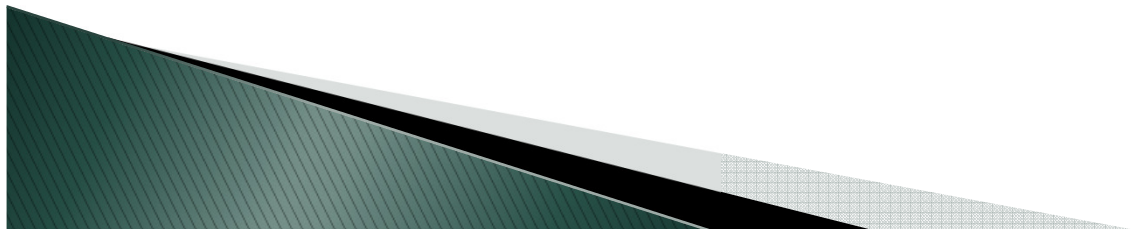


Limitations

- ▶ **Outliers** (extraordinarily high-cost cases)
 - Length of stay
 - Unusually high cost

- ▶ **Volume** – Number of cases in a DRG

- ▶ **Non-Standard DRGs e.g. Pre-MDC**
 - A06 Not entirely complexity related
 - Not resource homogenous



- ▶ Thank you
- ▶ Questions & Answers