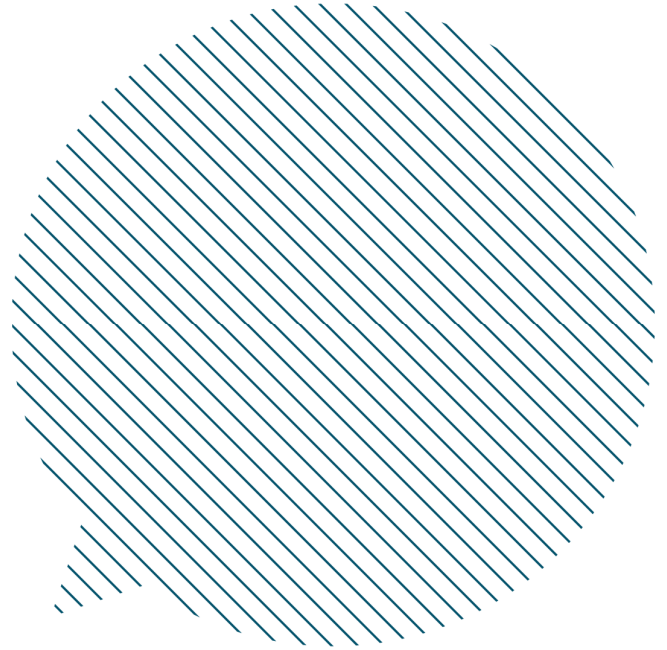


Development of financing system in health care



Bled, 30 th of May 2024

Eva Wensaas,
Director of departemnt of financing and case-mix

The Norwegian Directorate of Health

The Norwegian Directorate of Health

Our vision:

Good health

Good lives



Implement policy for the Ministry of health



Professional advisor



Manage laws, regulations, reimbursement schemes, etc.



Overall responsibility for the national health emergency

This is Norway

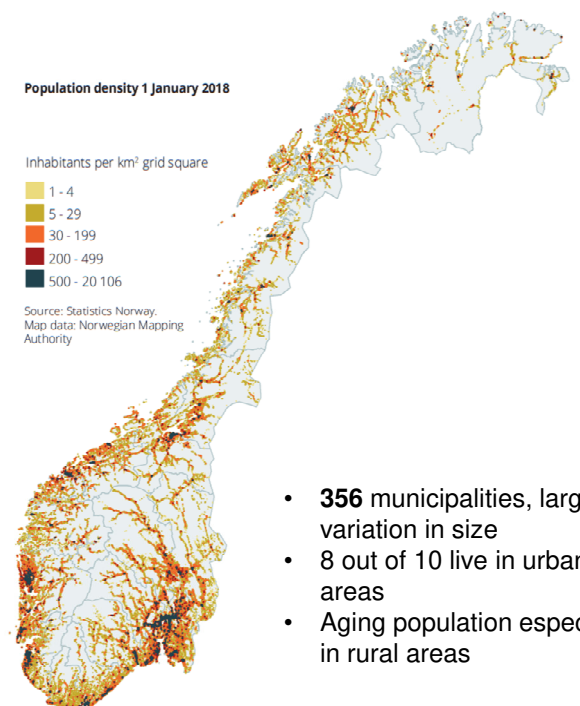
- Population: 5.5 million
- Health expenditure: 10.2% of GDP
- Universal coverage of health services, financed by taxes
- Low share of private hospitals/actors, and most private actors operate within the public system



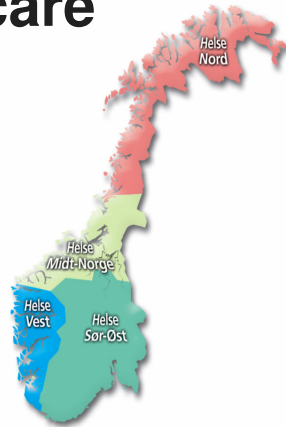
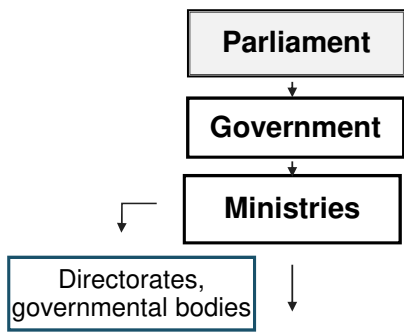
Primary care responsibilities in municipalities

Main responsibilities:

- The GPs scheme
- Nursing care
- Public physiotherapy service
- Health centers (pregnant women, infants and school health services)
- Mental health and substance abuse

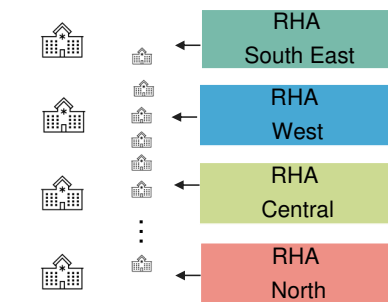


Specialized health care



Main responsibilities:

- Hospitals
- Rehabilitation
- Mental health treatment
- Substance abuse treatment
- Emergency medical services
- Private practitioners
- Laboratory and X-ray services



4 Regional Health Authorities (RHA) owned by the state

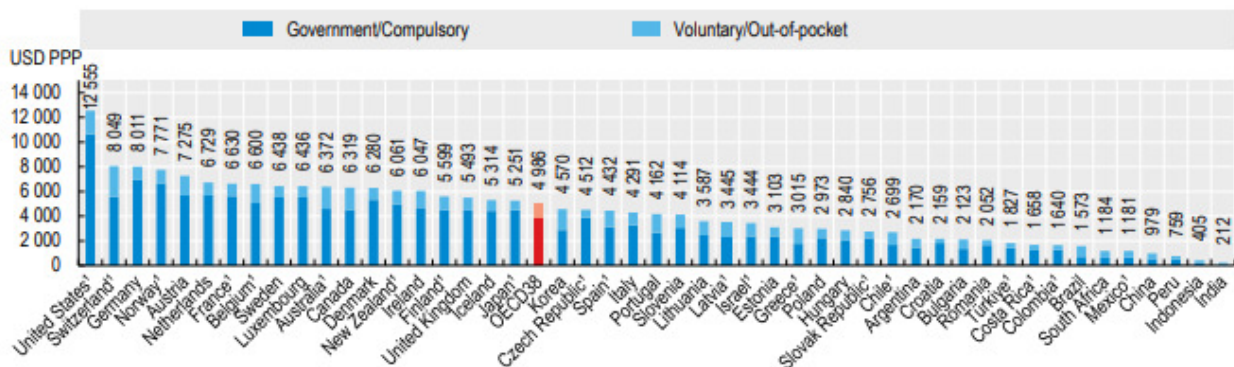
21 Health enterprises (hospitals) owned by RHA

Helsedirektoratet

5

Health expenditure (OECD-statistics)

Figure 7.4. Health expenditure per capita, 2022 (or nearest year)



1. OECD estimates.

Source: OECD Health Statistics 2023; WHO Global Health Expenditure Database.

StatLink <https://stat.link/m6pzqb>

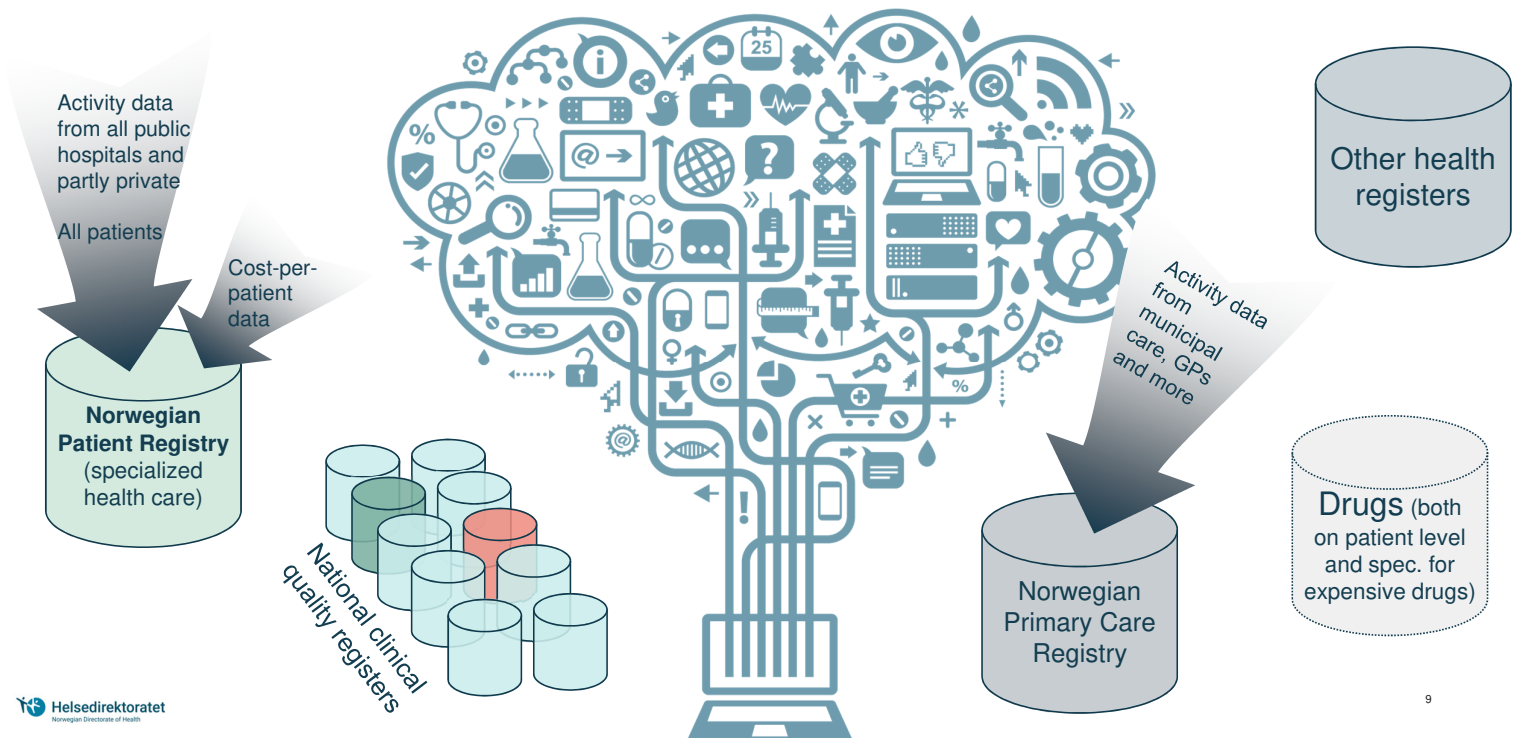
Challenges

- We are getting more people and older
- Limited access to skilled workforce
- Growth in costs for new methods and technology
- The patient expects more
- Many need longer treatment (live longer, chronic diseases)

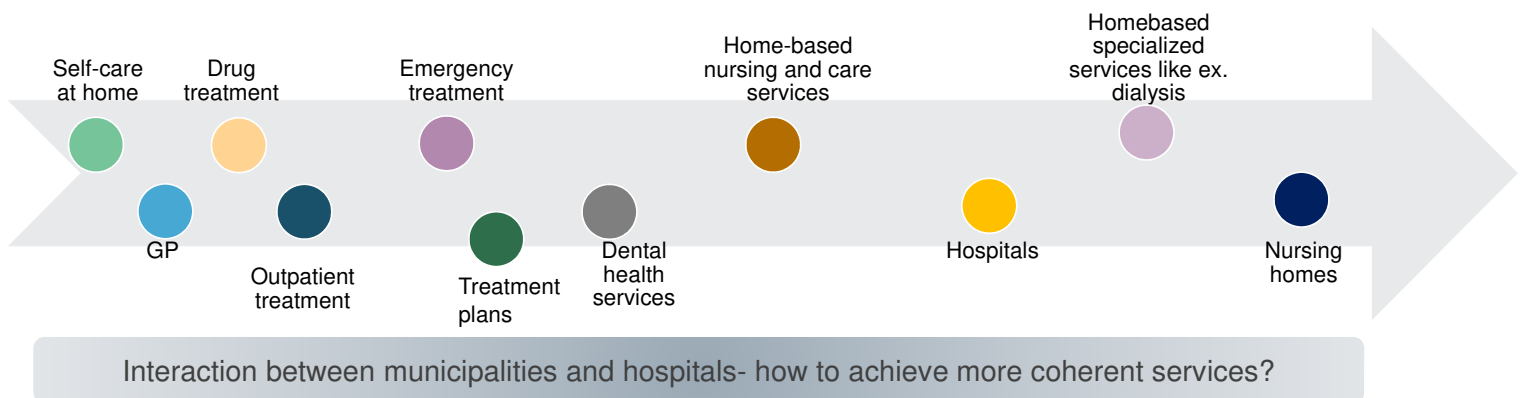
Possibilities

- Interact better
- Prioritize better
- Better prevention (a healthier population)
- Further develop of mental healthcare
- Use the opportunities technology provides better
- Make better use of staff time
- Mobilize the patient as a resource
- Learn more from each other (use data)

Development of the financing systems are based on reliable data



The patients often needs many different services



The financing schemes is one of many instruments that can support this

Activity based funding (ABF) in Norway – the aim

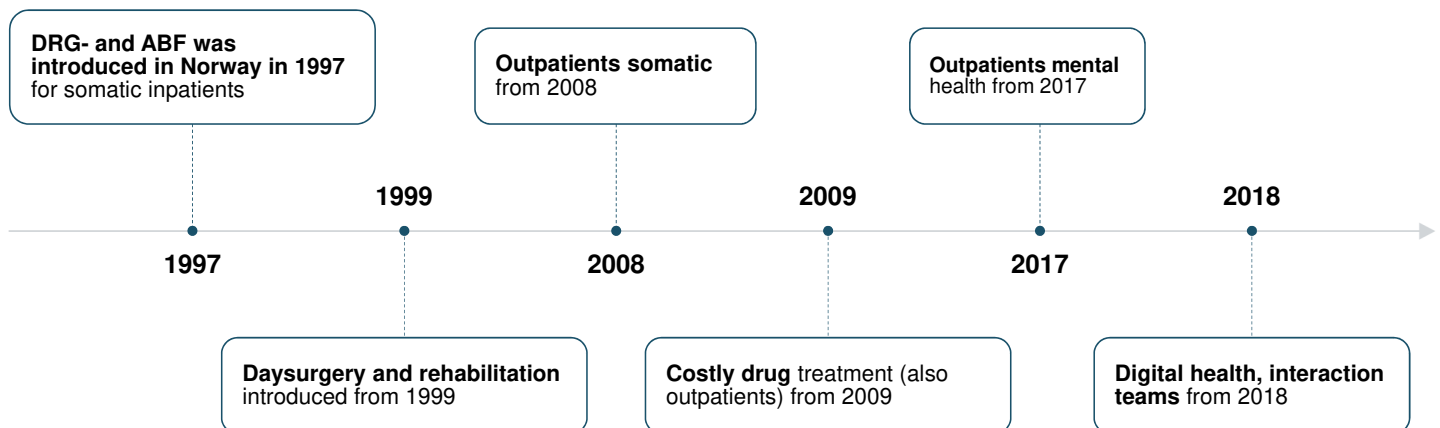
To support the regions to ensure the responsibility to give specialized care to the residents

Activity-based funding depending on how many and what kind of patients receive treatment (using DRG-system)

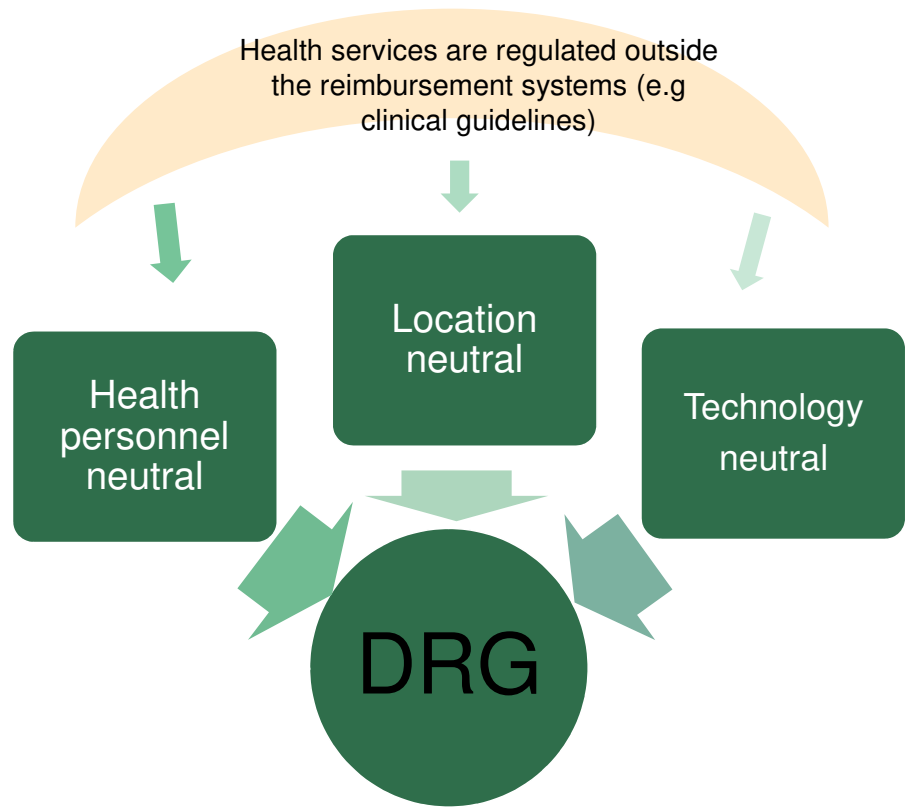
Support the desired medical development

Stimulate cost efficiency- and reduce waiting lists

DRG and activitybased funding (ABF)- development in Norway



Focus on the content of the health services to patients



Cost calculation model



- The model has been developed to finance hospital treatments by DRG
- The cost weight are annually updated
- Public hospitals send in their cost pr DRG- mandatory- cooperation
- National weights- average cost in the hospitals
- Reimbursement is based on national weights

Datasources used

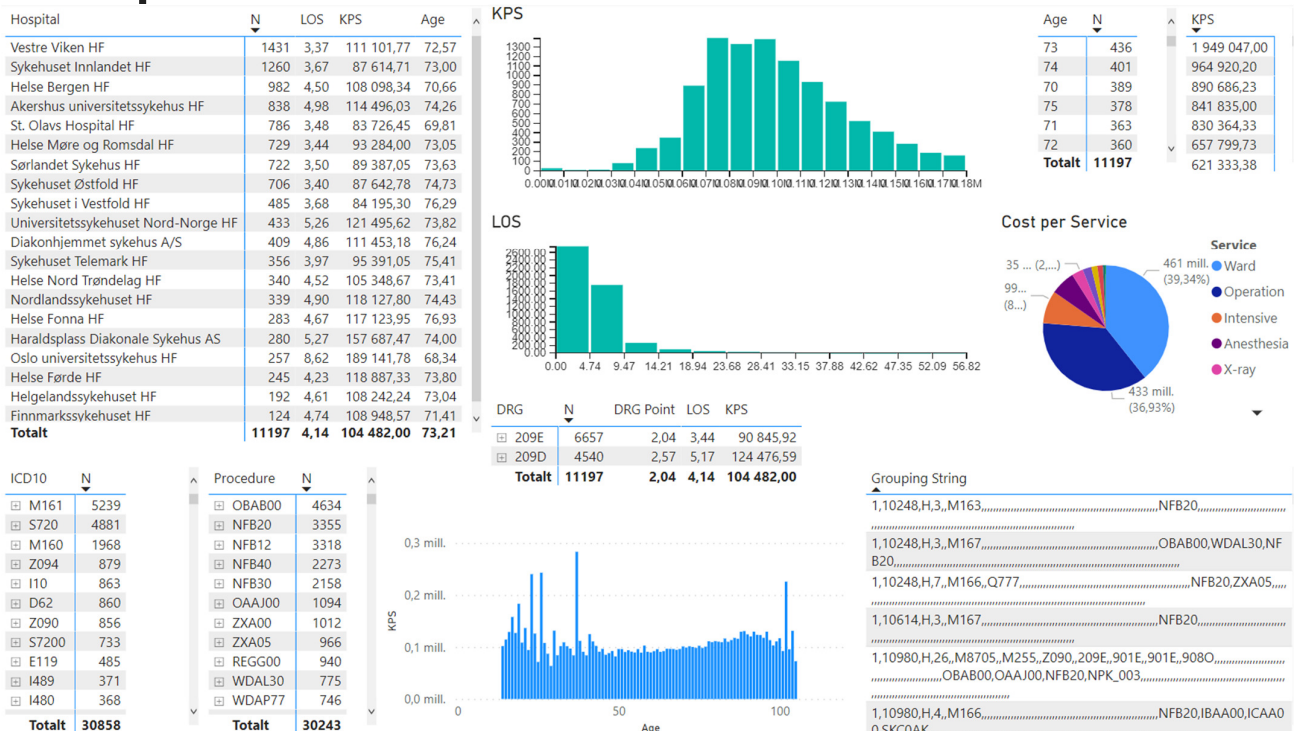
The **National Patient Register (NPR)*** which contains all information about patient treatment in hospitals;

- a) **administrative data** such as place and time of treatment and information on referrals to treatment and waiting time
 - b) **demographic information** such as each patient's sex, year of birth and residency at the municipality level
 - c) **coded medical information** such as diagnoses and surgical, medical and radiological procedure. Drugs treatment.
 - d) **cost-data**
- **Cost per patient data reported** from our hospitals (DRG-level)



*[The Norwegian Patient Registry and the Norwegian Registry for Primary Health Care](#)

Example from our cost calculation model







Activity based funding based on DRG in Norway

- The public hospitals in Norway are funded by a mix of block grants and activity based funding
- For 2024 the activitybased share of funding is approx. 40 percent of calculated costs
- From 2025 the politicians in Norway wants to lower it to 30 percent

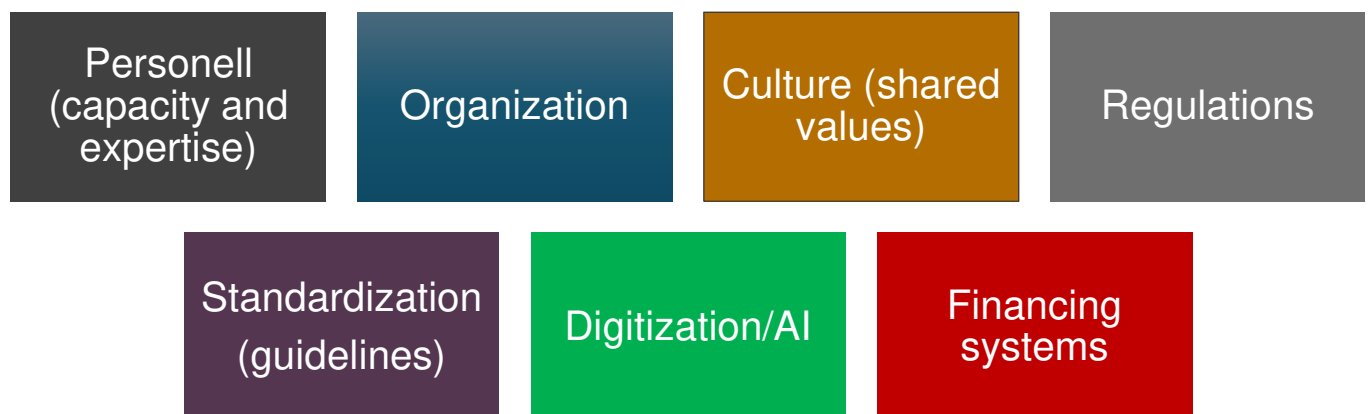
Important issues in developing financing model

- All developement requires **access to good data**
- The **definitions** must be consistent
- An agreement on which cost elements are to be included, and who are paying for them
- National clinical guidelines should be supported
- New services into the financing model involve a higher risk- but we have to meet the future!

Sustainable health services and integrated care – what to do next?

			
AI and Digital health	More interaction and focus on «periodes of care»	Refund systems (e.g. bundled payment, co-financing)	Challenging both by means of
Rapidly developing areas Less personnel intensive Medical equipment	Better use of resources- personell and infrastructure	Support aim in health- and care services	Definitions Activity data- following the patients Cathegories in the case-mix system Cost calculations Priorities

Various necessary tools for an ongoing process



Thank you

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