Title: Hospital Reform: A New Hospital Planning and Financing System with Hospital Service Groups

Introduction

The German hospital system is based on a dual financing model. Ongoing operating costs are primarily covered through Diagnosis-Related Groups (DRGs), while within the German federal system, the 16 states (“Bundesländer”) are responsible for investment costs.

Hospital planning is a matter of state jurisdiction, with each of the federal states having its own hospital laws and hospital plans outlining overall guidelines and planning responsibilities.

The upcoming hospital reform aims to address both, the financing and planning of hospitals within the states. The reform centers around four key objectives:

1. De-economization
2. Securing and improving treatment quality
3. De-bureaucratization
4. Transparency

Essential to the new hospital planning system are the hospital service groups (HSGs, “Leistungsgruppen”), which categorise hospital areas based on the types of care they provide. HSGs should ensure that not every hospital can provide every service and the hospitals, which perform the services, have a high quality standard with better outcomes.

Methods

In Switzerland, HSGs have been used in the cantons for planning purposes for years. North Rhine-Westphalia (NRW), the German federal state with the largest population and almost 400 hospitals, has incorporated 65 HSGs into its current hospital plan. These HSGs are defined by the medical departments involved in patient treatment, case-related data (such as procedures, diagnoses, and age) and have a hierarchical structure.

The draft legislation for the Hospital Transparency Act proposes establishing a transparency register for hospitals, providing information on medical personnel, nursing staff, and the assignment of HSGs to all German hospitals. 65 designated HSGs are to be established on the basis of the work of the NRW hospital plan. The “Institut für das Entgeltsystem im Krankenhaus” (InEK, the German DRG institute) was commissioned to categorise hospital cases according to both DRGs and HSGs. The software developed for the ongoing development of the DRG system (DRG management tool) is currently being modified for purposes of future HSG management.

Results

After mapping the NRW HSGs in the "DRG management tool", resulting in a first HSG grouper, the definitions provided by the NRW hospital plan were evaluated,

adapted to be applicable nationwide, and further specified where necessary. The software was then employed to simulate the impact on case classification when HSG definitions are modified. For instance, the definition of the urology service group in NRW, originally based on the medical department that discharged the patient, has been updated to utilise urology-specific procedure codes to improve accuracy of HSG assignment. Several medical societies have provided input for HSG definitions as well.

Discussion

The successful implementation of HSGs hinges on their clear and comprehensive definition. However, it is equally important to consider the purpose of these groups. Beyond defining the criteria for case assignment to HSGs, quality criteria should also be incorporated, so hospitals may need quality criteria like minimum staffing requirements or caseload thresholds to qualify for a specific HSG.

According to the current hospital reform plans, the current hospital budget is to be divided into a contingency budget (dependent on HSG and case severity) and a case-related budget. The precise details regarding the linkage of performance groups to a contingency budget are still under discussion among policymakers.