

Sector-Equal Remuneration through Hybrid DRGs – Classification and Calculation Model

Introduction

The German legislator has implemented a new form of remuneration for hospital services called “Hybrid DRGs”, starting in 2024. Traditionally, a large variety of medical interventions has been provided on both an outpatient and inpatient basis in Germany (“double specialist track”), but with different remuneration for these services, possibly incentivising an expansion of inpatient services. Hybrid DRGs shall eliminate this incentive by providing equal remunerations for comparable medical services.

Methods

The starting point for 2024 was a catalogue of 34 procedure codes, provided by the Federal Ministry of Health (MoH), from five performance complexes:

- certain hernia operations
- removal of ureter stones
- ovariectomies
- arthrodesis (fusion) of the toe joints
- excision of a pilonidal sinus

The only other terms that were defined for Hybrid DRGs were a length of stay of one day and a PCCL < 3.

Providing a uniform remuneration for Hybrid DRGs requires an operational service definition as well as a suitable calculation model.

Defining the future content of Hybrid DRGs should answer the question which patients should be assigned to the respective Hybrid DRGs and which patients shouldn't. On one hand, possibilities to “escape” the Hybrid DRGs by coding should be minimized—resulting in the broadening of the DRG definitions (e.g. by also including unspecific procedure codes). On the other hand, patients that undergo additional and more complex surgery may not be eligible for Hybrid DRG remuneration—requiring a narrowing of the DRG definitions.

With regard to the revenue calculation, the G-DRG principle that revenue values should be derived from data, did not change for Hybrid DRGs but had to be modified. Case-related cost data from inpatients and remuneration figures (according to a fee-for-service catalogue as cost-based data is not available here) from outpatients as well as the inpatient/outpatient ratio were taken into account. For outpatients, InEK had to use data sources from outside its own data collection; this data was provided by the Institute for the Evaluation Committee and the MoH.

Results

To define the exact content of the Hybrid DRGs was a challenge as the “starting catalogue” did not yet provide a workable definition. Analyses showed that most cases with these codes also had other relevant procedures that could either render the case unsuitable for Hybrid DRG remuneration or show no significant differences that would

advise against including these additional procedures in the DRG. Decisions were typically informed by InEK's extensive inpatient data bases that provide relevant information (cost, LOS, comorbidity, clinical profiles) on a huge variety of case constellations.

Overall, twelve Hybrid DRGs for the five areas could be established. Within each area, the calculation model ensured severity-adjusted remuneration, as required by the legislator's mandate. As a result, around 180,000 cases of the annual total of around 16 million inpatient cases will be remunerated via Hybrid DRGs in 2024. The legislator plans to include a variety of other medical procedures into the Hybrid DRG system in the future with an expected 1 million cases in the year 2025 already.

Discussion

The future uniform remuneration for Hybrid DRGs will typically be lower than the previous inpatient remuneration, but typically higher than the different models of outpatient remuneration that were previously applicable to hospitals. This can create an incentive for hospitals to increasingly provide outpatient services for patients that have been treated as inpatients in the past, especially when health insurers also focus on cases potentially eligible for Hybrid DRG remuneration. The introduction of Hybrid DRGs requires a close cooperation between the responsible parties. With the expected practical application from 2024 on, it will become clear to what extent the degree of outpatient treatment can be increased. The Hybrid DRGs mark a first step towards sector-equal remuneration in Germany.