



# Improving the Health of Romanians (and their Health System)

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Indicators for Preventing “Quicker and Sicker”  
Discharges

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07/30/02



# New Payment Method Creates New Opportunities, Challenges

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- DRG-based financing piloted January 2002
- Main impetus was to ensure Nat'l Health Ins. House (NHIH) pays providers ***proper amount for legitimate services***
- Clearly, NHIH needed to develop quality indicators
- Law requires comprehensive data for each patient billed – else, payment is withheld
- Robust data sets enable measurement and control of:  
1) clinical quality, 2) fraud, 3) errors, and ultimately 4) efficiency
- Independent Quality Monitoring Board (QMB) to be created
- Greatest compliance if precedents established at onset!



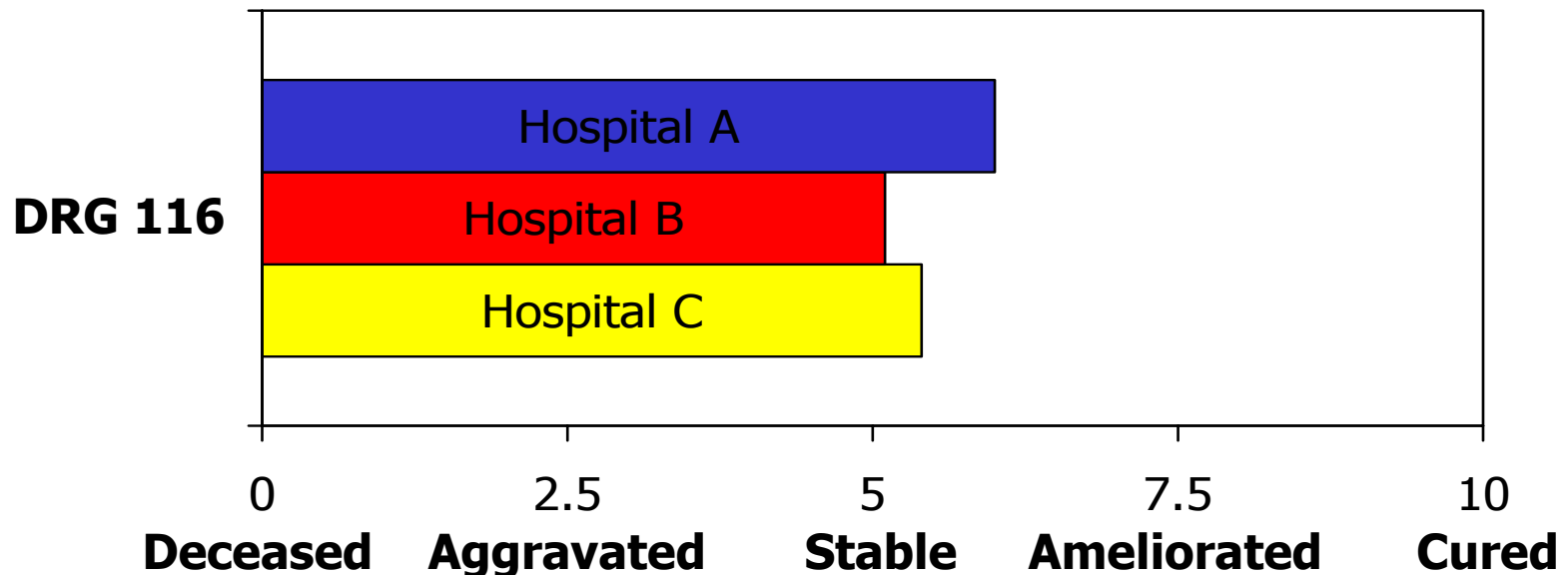
# Potential Drawbacks to DRG Model

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- Substandard Care
  - Quicker, sicker discharges
- Billing Fraud
  - Artificial volume and/or case-mix inflation
- Coding Errors
  - Unintended data flaws
- Insufficient Efficiency
  - Each provider paid as a function of historical costs

# 1) Substandard Care

- Need to measure health delivery, namely outcomes
- Key indicators:
  - High *Mortality Rate for Top 10 DRGs*
  - Low *Discharge Status Index*
    - Each hospital's patient discharge conditions weighted and aggregated by DRG – then compared to peers





## 2) Fraudulent Activity

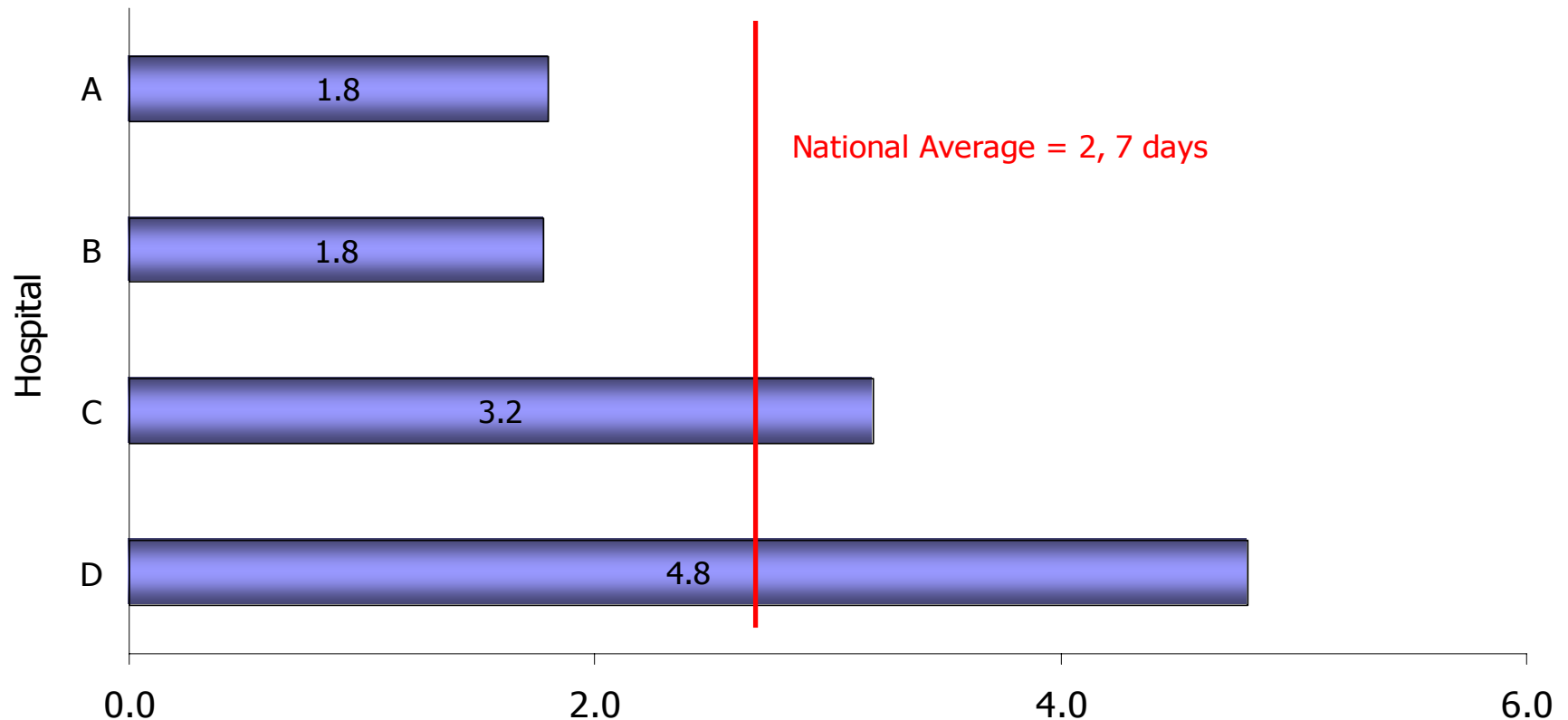
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- Must counter individual and institutional temptation to “game the system”
- Key indicators:
  - *Volume* surges (seasonally-adjusted)
  - *CMI* Inflation
  - Favorable evolution of *CC:non-CC Ratios*
  - Long *Pre-op ALOS for ED Admissions*

# Catching Fraudulent "Urgent" Admissions

- Long pre-op ALOS suggests unethical admissions and/or negligent health care delivery

**Pre-Op ALOS (2001)**





## 3) Coding Error

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- Even Romanians are human (except Nadia?)
- Key indicators:
  - Random *Chart Review*
    - *resource-intensive*
  - Invalid *Data Logic*
    - eg, same patient billed twice
  - Outlier *Data Points*
    - eg, inordinate LOS



## 4) Delivery Efficiency

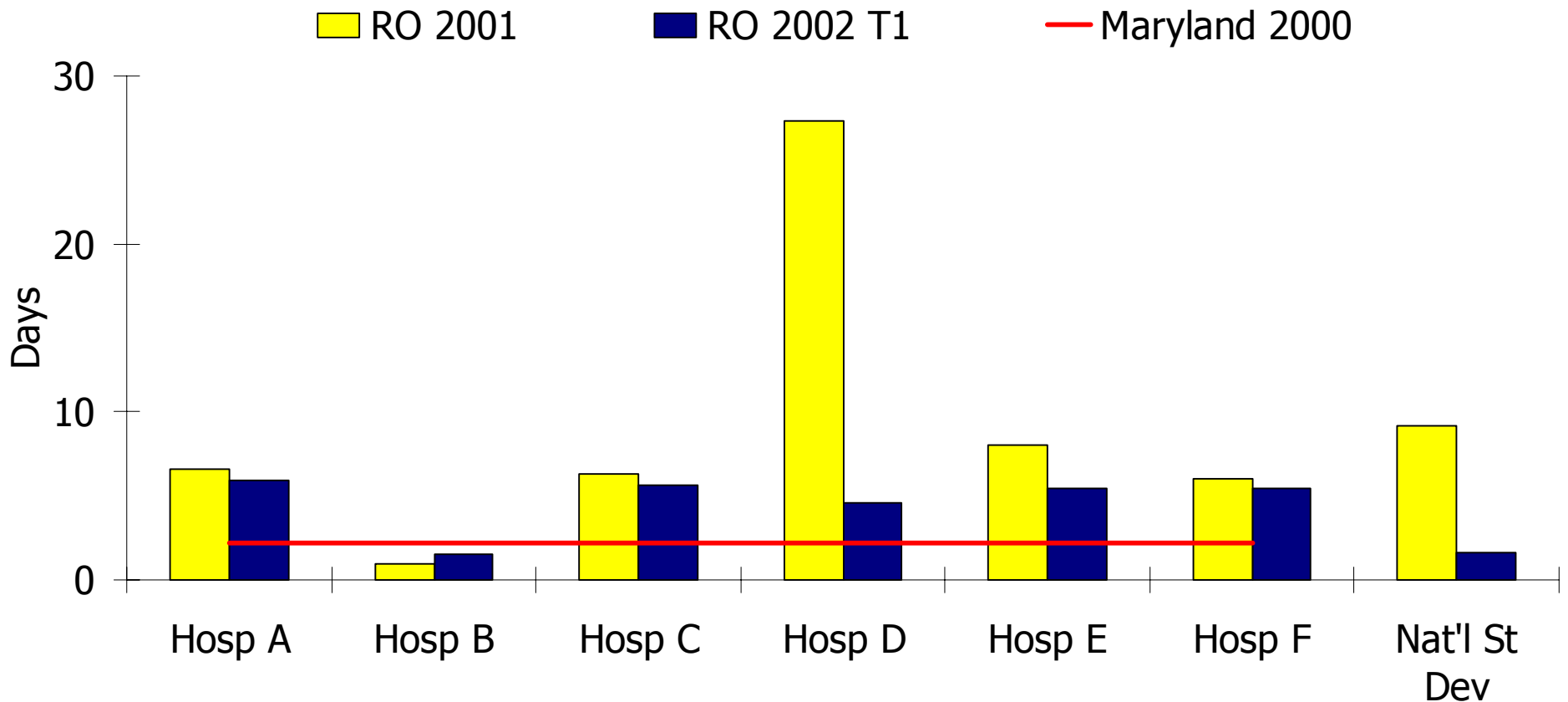
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- Must *identify* biggest inefficiencies and *respond* with apt incentives — only way to realize true potential of DRG-based financing system
- Otherwise, DRGs nothing more than glorified accounting
- Key indicators:
  - *Average Cost per CMI-Adjusted Admission*
    - Best measure of overall health efficiency
  - *Inpatient Spending* (as % of total health expenditures)
    - Determine whether money shifts towards preventative care, which is more efficient in long run (“a stitch in time saves nine”)
  - *ALOS Variation*
    - Compare to national and international benchmarks



# Monitoring Evolution of Hospital Efficiency

## ALOS, DRG 373 Normal Vaginal Delivery





## Next Steps

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- Create *truly independent and autonomous* monitoring board
- Empower such board to take corrective / disciplinary actions
- Set precedents from the onset
- Continuously *use* robust dataset to tweak incentives, thereby maximizing efficiency and quality