



HOSPITAL VOLUMES

An international perspective on Germany

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BMG-OECD Conference on Managing Hospital Volumes

Berlin, 11 April 2013



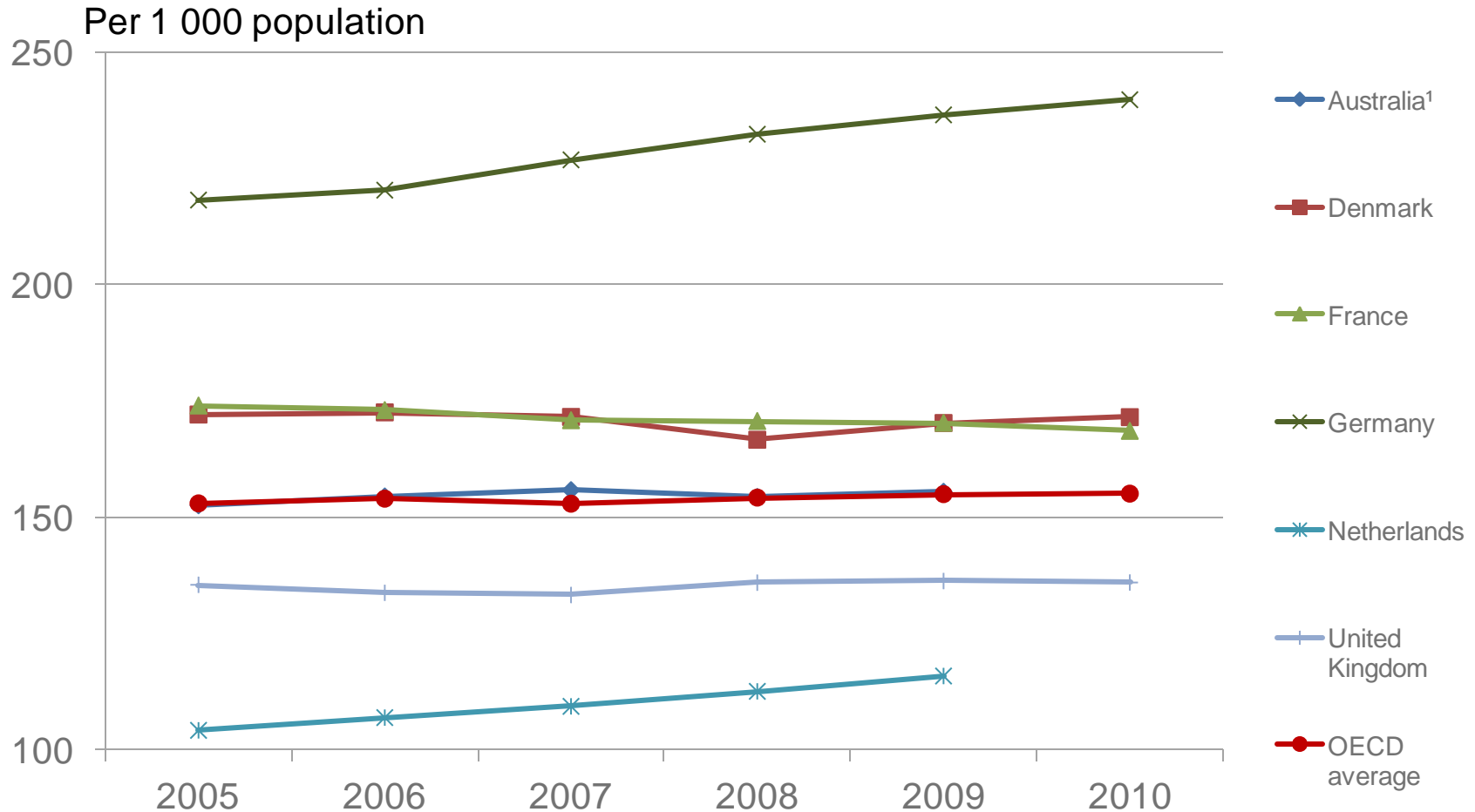
Key points

1. Germany has one of the highest levels of hospital activity in the OECD
2. Other OECD countries use DRGs to influence hospital budgets much more than Germany does
3. Quantity does not equal quality - policy makers should focus on the structure of hospital services and not just growth in recent years



Strong growth in services since introduction of DRGs

Growth in hospital services over the past five years, select OECD countries



1. Excludes discharges of healthy babies born in hospitals (between 3-7% of all discharges)

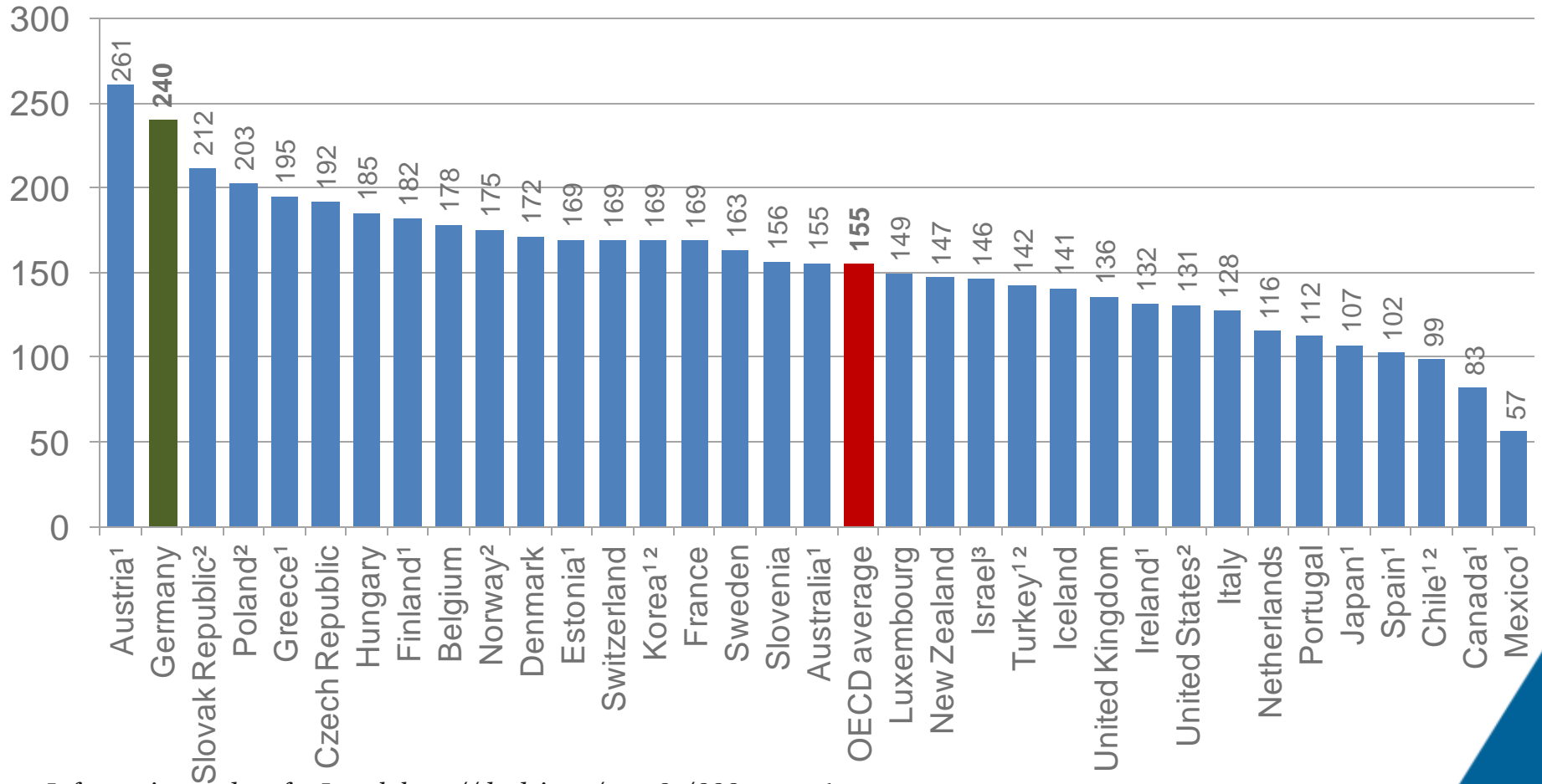
Source: OECD Health Data 2012



Highest levels of activity among OECD

Hospital discharges per 1000 population, 2010 (or latest available)

Per 1 000 population



1. Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>

Source: OECD Health Data 2012



Across a wide range of services

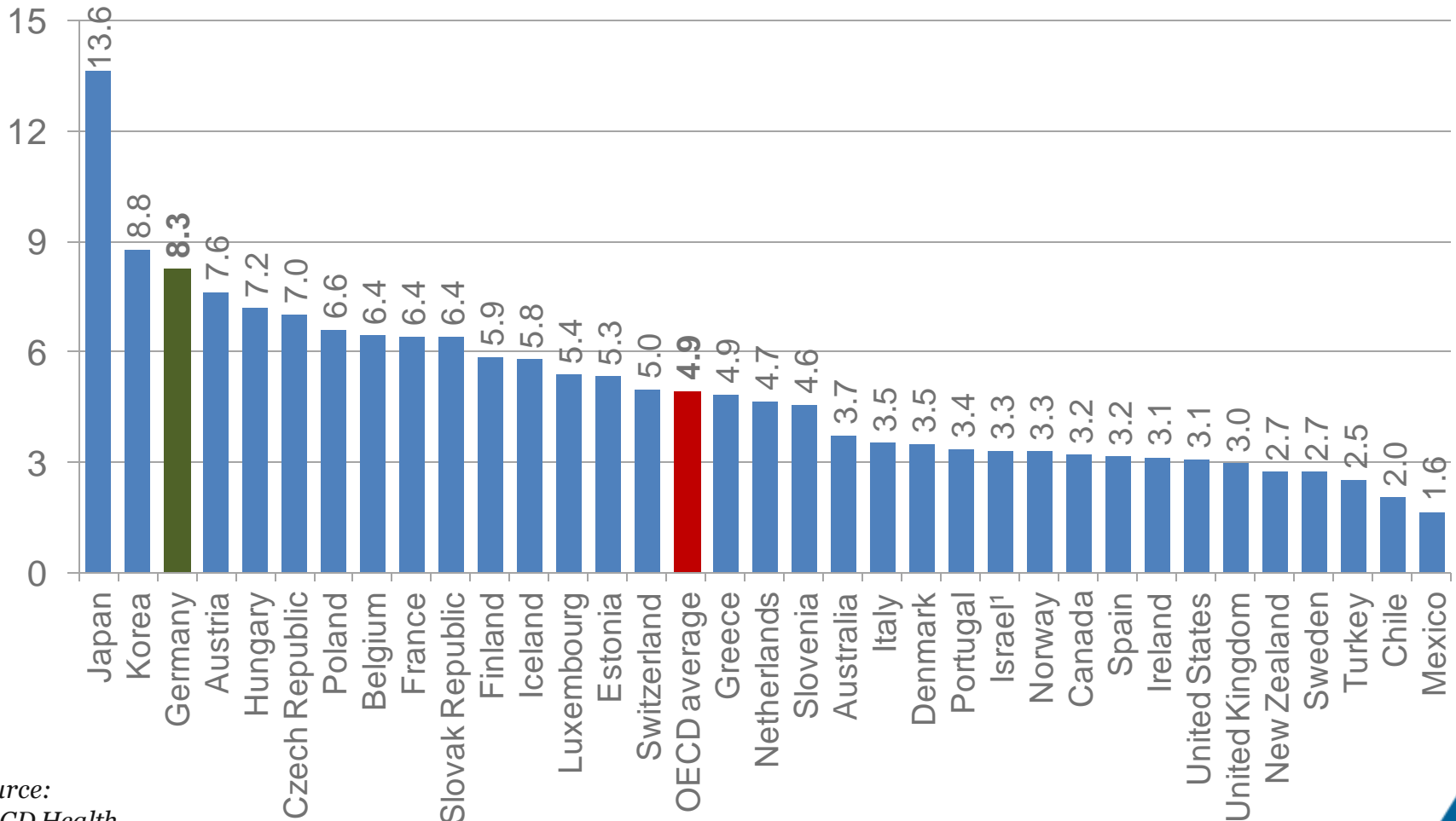
| | Germany | OECD average | Rank vs. OECD countries |
|--|---------|--------------|-------------------------|
| Hospital discharges for major diseases | | | |
| Diseases of the circulatory system, per 1 000 population | 35.7 | 19.6 | 1 |
| Cancer, per 1 000 population | 24.5 | 13.5 | 2 |
| Procedures carried out as inpatient cases (involving an overnight stay in hospital) | | | |
| Cataract surgery per 100 000 population | 178 | 118 | 7 |
| Tonsillectomy per 100 000 population | 157 | 80 | 3 |
| Percutaneous coronary interventions (PTCA) per 100 000 population | 624 | 177 | 1 |
| Coronary bypass per 100 000 population | 116 | 47 | 2 |
| Appendectomy per 100 000 population | 151 | 126 | 7 |
| Cholecystectomy per 100 000 population | 236 | 154 | 2 |
| Inguinal and femoral hernia per 100 000 population | 223 | 110 | 1 |
| Prostatectomy (transurethral) per 100 000 males | 197 | 117 | 4 |
| Prostatectomy (excluding transurethral) per 100 000 males | 85 | 54 | 5 |
| Hysterectomy (vaginal only) per 100 000 females | 178 | 113 | 6 |
| Caesarean section per 1000 live births | 314 | 261 | 9 |
| Hip replacement per 100 000 population | 295 | 154 | 1 |
| Knee replacement per 100 000 population | 213 | 122 | 2 |
| Breast-conserving surgery per 100 000 females | 232 | 108 | 1 |
| Mastectomy per 100 000 females | 69 | 56 | 8 |



A larger hospital sector

Hospital beds per 1000 population, 2010 (or latest available)

Per 1 000 population

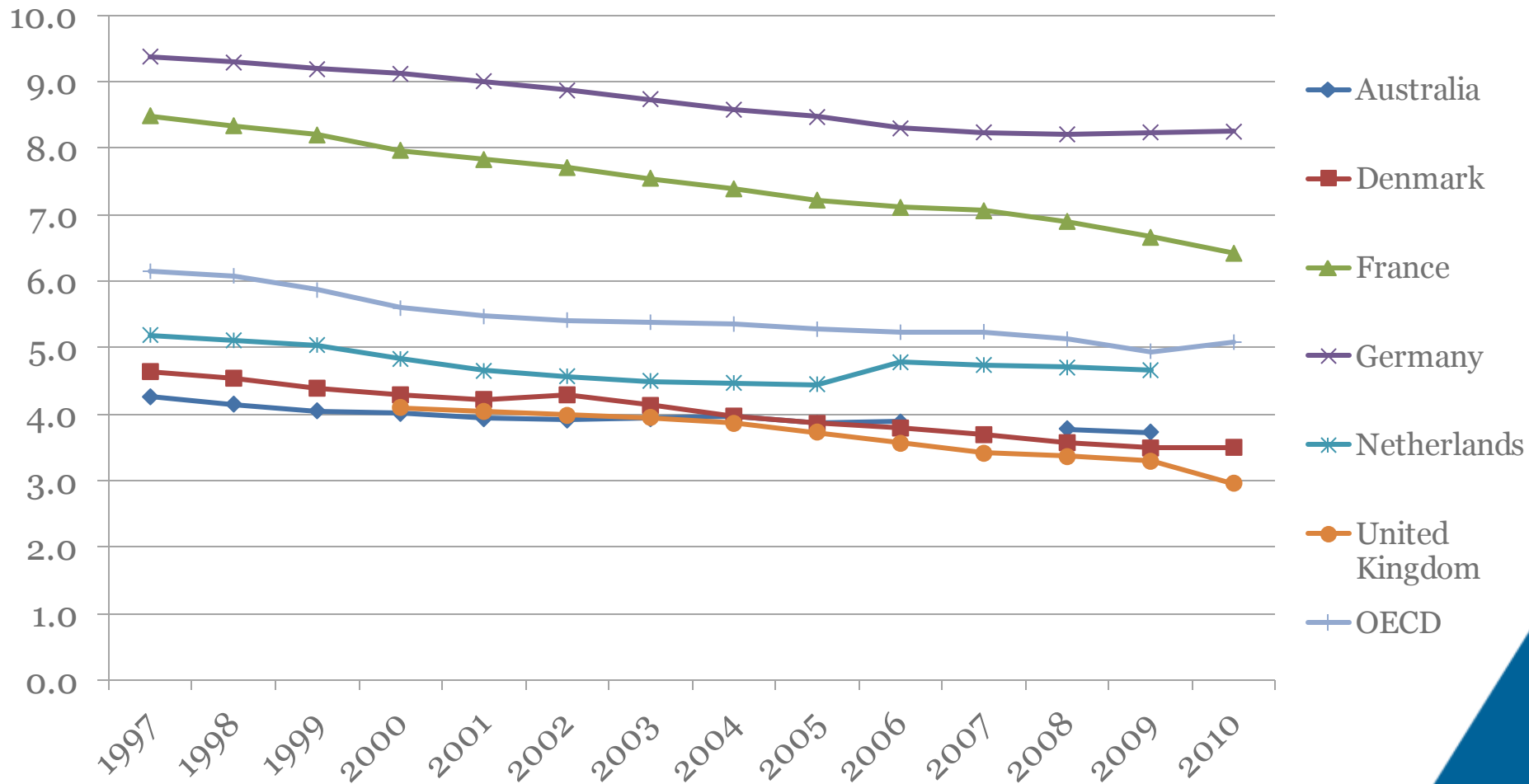


Source:
OECD Health
Data 2012



Reductions in hospital beds across the OECD

Hospital beds per 1000 population, 1997-2010 (or latest available)





What your system looks like to us

- A ‘theoretically pure’ DRG system
 - Rigorous commitment to costing, almost doubled to 1200 groups
 - ‘Same price for the same service’ is good for efficiency
 - 85 per cent of hospital budgets paid through DRGs is high
- Federation complicates payment of capital costs, but this is not unique (Australia, Denmark, Switzerland)



DRGs can and are used for budgeting

Characteristics of select OECD countries which use DRG based financing

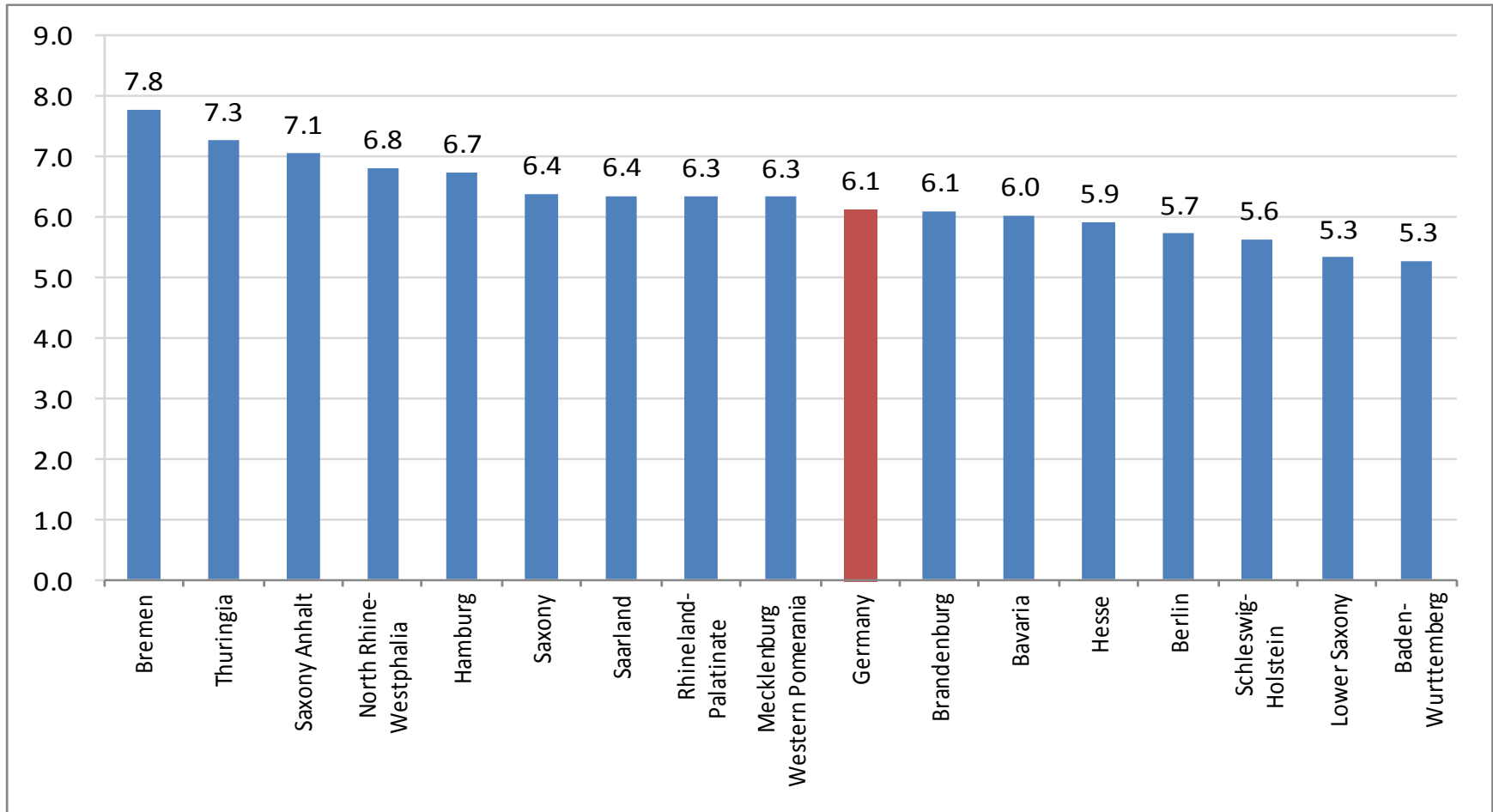
| Country | PUBLIC | | PRIVATE NOT FOR PROFIT | | PRIVATE FOR PROFIT |
|--------------------------|-------------------------------|----------|-------------------------------|----------|---------------------|
| | Budget | Capital* | Budget | Capital* | Payment |
| Australia | Yes, prospective | No | No | Yes | Procedure based |
| France | Yes, prospective | Yes | Yes, prospective | Yes | DRG |
| Germany | No | No | No | No | DRG |
| Netherlands | Yes, prospective | Yes | Yes, prospective | Yes | |
| United Kingdom | Yes, prospective | Yes | Yes, retrospective | Yes | Retrospective costs |
| United States (Medicare) | No | Yes | No | Yes | |
| Greece | Some subsidies | No | Some subsidies | No | Procedure based |
| Switzerland | Cantons may regulate activity | Yes | Cantons may regulate activity | Yes | DRG |

* 'Capital' refers to depreciation and maintenance costs, these countries each separately provide for large scale capital. *Source: OECD Health Systems Characteristics Survey 2012*



Hospital capacity varies dramatically across German Lander

General hospital beds per 1000 population across Lander, 2011

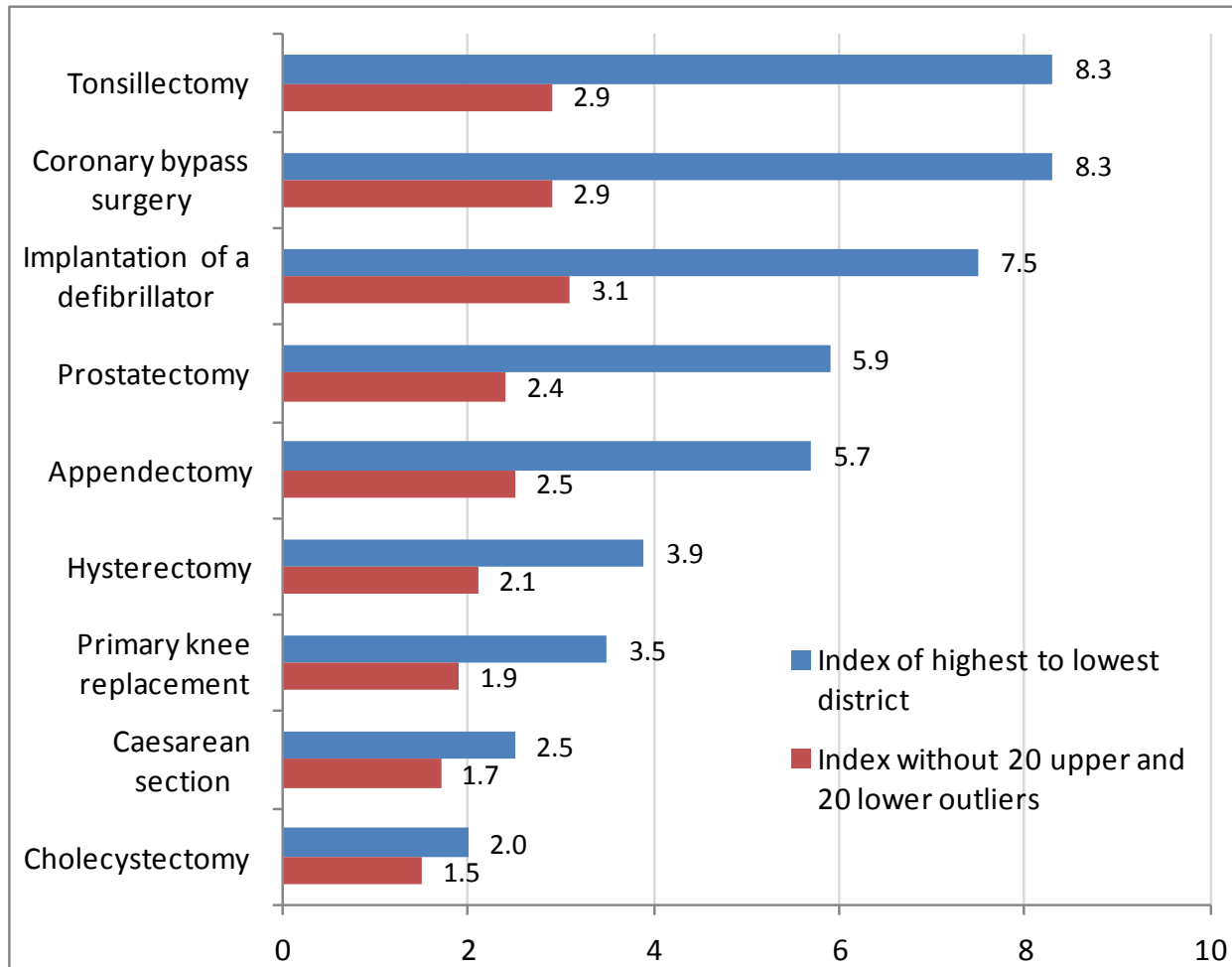


Source: Gesundheitsberichterstattung des Bundes, 2011



And large variations in key procedures

Magnitude of regional variations across key procedures





The next frontier: linking payment to quality?

- Germany already has some key advantages:
 - A leader in the collection and availability of quality of care information
 - Established tradition of professional social health insurers, with an appetite for more intelligent purchasing
 - Negotiation of hospital contracts undertaken at regional level
- Insurers and government need tools to act where volumes are systematically high
- Policies to link quality to payment have been modest:
 - Pay for performance schemes have been most useful for collecting data: US Medicare scheme, Korean VIP and Maryland HAC
 - Adjusting DRGs for quality: time-based hip fracture payments in Israel, reduced payments for avoidable re-admissions in Australia and Switzerland



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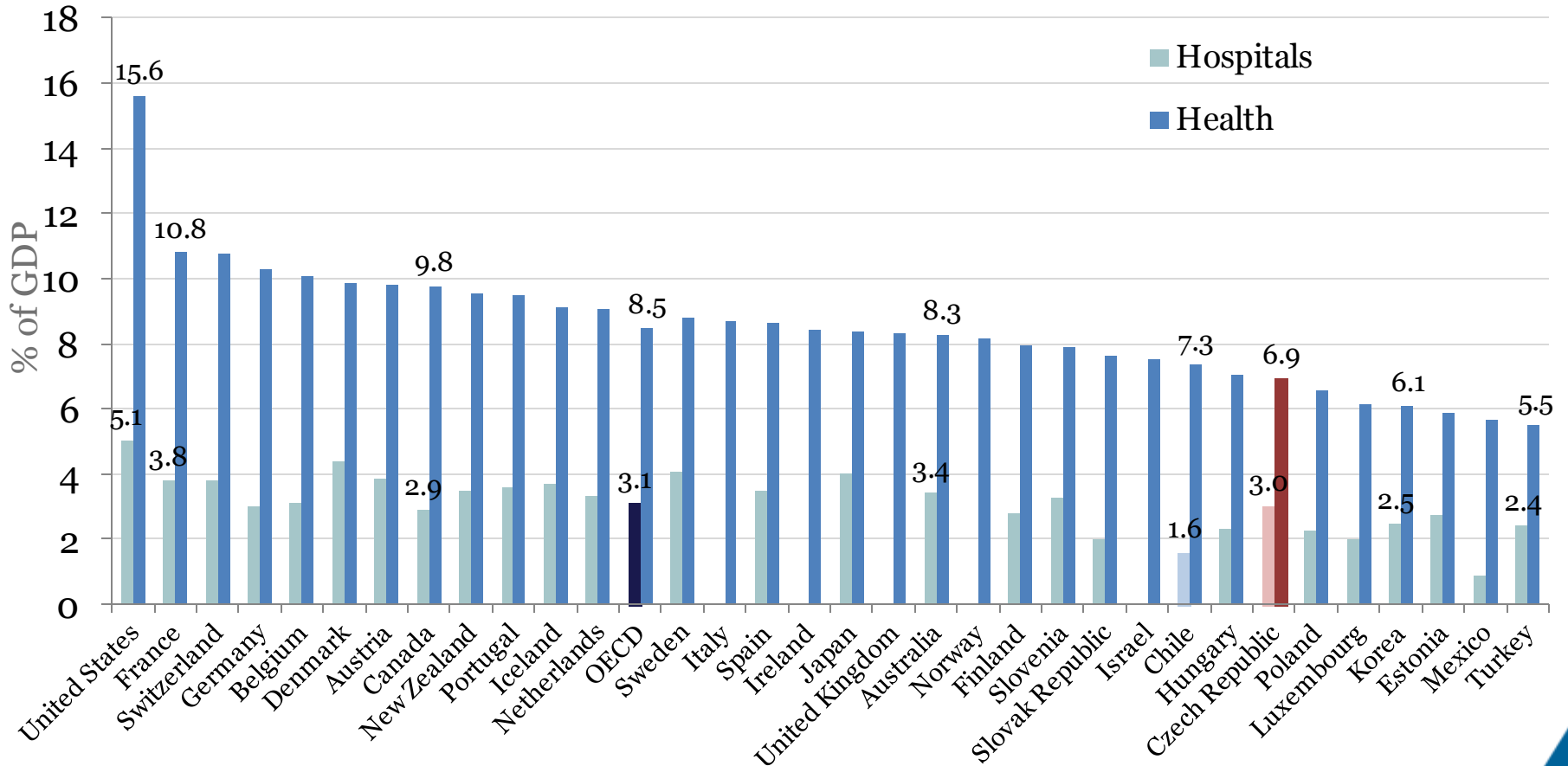


EXTRAS



Large differences in spending

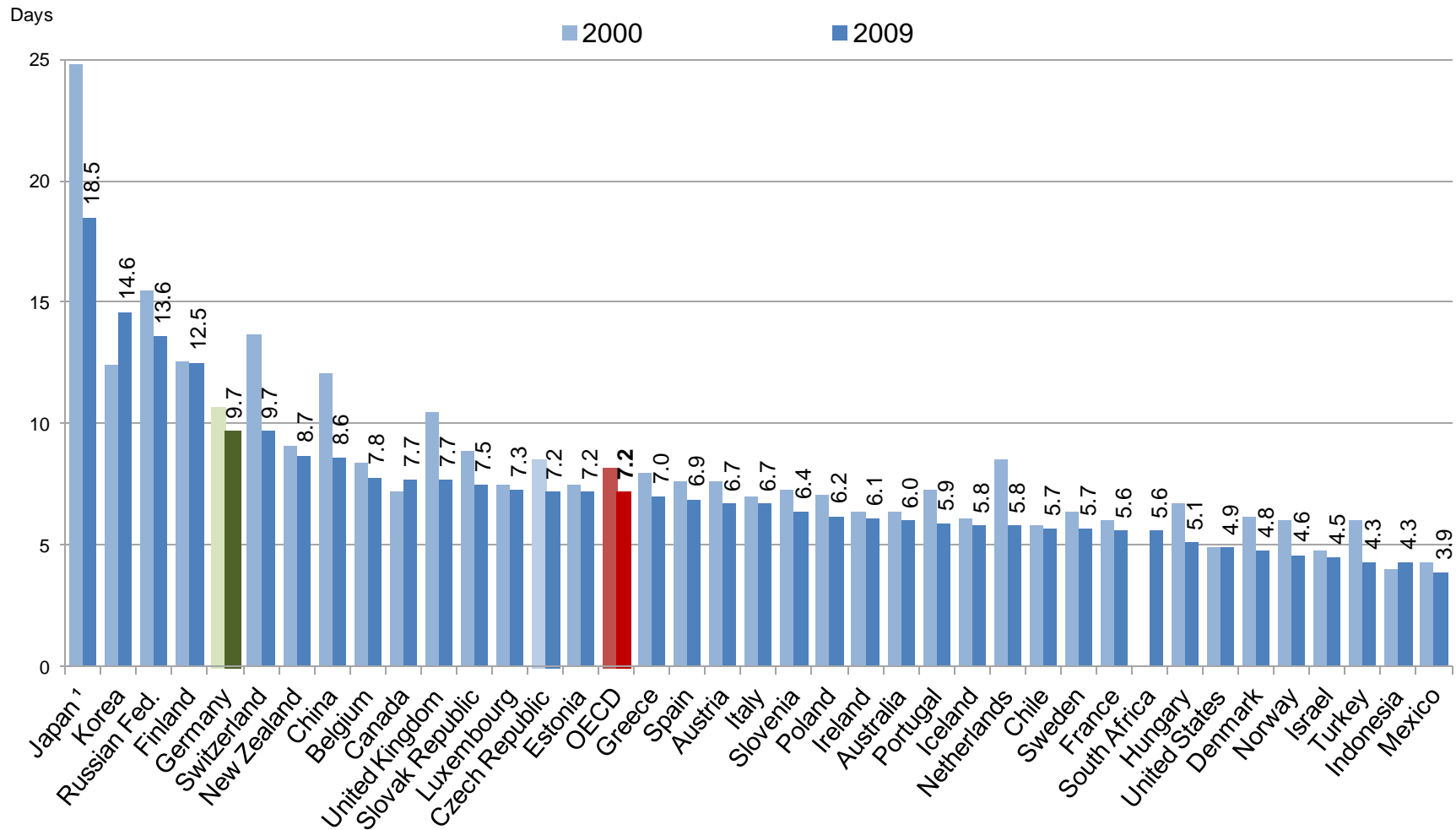
Hospitals and health spending, per cent of GDP in 2009 (or earliest year)



Source: OECD Health Data 2011



Higher than average lengths of stay



Source: OECD Health Data, 2011



Hospital waiting times

