

Specialist treatment delivery at university hospitals

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Universitätsmedizin Berlin compares the true cost of treating patients with chronic inflammatory bowel disease with costs recoverable under the current German DRG-based system. The treatment of these conditions, which include Crohn's disease and ulcerative colitis, is usually complex, and generally requires the multidisciplinary care approach primarily offered by academic health care organizations. The study shows that the actual costs incurred are not currently reflected by the fixed-priced schedule used for cost recovery. Results from this study have been published in the journal *PLOS ONE*.

The sheer level of specialist medical care available, combined with the ability to provide the latest technological equipment, means that university hospitals play a particularly significant role in the treatment of <u>patients</u> with rare or difficult-to-treat conditions. These conditions, which include chronic inflammatory bowel diseases (including Crohn's disease and <u>ulcerative colitis</u>), usually require lifelong specialist treatment which, in many cases, begins during childhood or adolescence. This usually involves the use of contrast-enhanced imaging and interventional endoscopy procedures, an increased use of blood products, antimicrobial agents, immunotherapy agents and biologics and may, in some cases, even include organ transplants. For hospitals, the task of cost recovery presents a considerable financial challenge. 2004 saw the introduction of a fixed-price cost recovery schedule (comparable to a flat rate), which is applicable to all hospitals that form part of the government's list of approved health care providers. This cost recovery schedule is based on Diagnosis-Related Groups (DRGs), i.e. aggregates



of patients who are clinically similar and require similar methods of treatment.

"The DRG-based cost recovery system appears problematic, particularly in relation to the treatment of patients with complex disorders. This is because costs are calculated based on a system that fails to adequately reflect the clinical complexities of certain conditions," says Prof. Dr. Daniel C. Baumgart, Deputy Chief of Charité's Gastroenterology and Hepatology Unit at it's Virchow campus. "Patients with <u>inflammatory</u> <u>bowel disease</u> require a demanding level of care and more sophisticated treatment regimens than patients with other gastrointestinal disorders. They particularly benefit from the type of care that is offered by multidisciplinary teams at university hospitals."

The current study, which includes more than 3,000 cases, provides the first-ever detailed analysis of the actual costs incurred compared with reimbursement levels by academic <u>health care organizations</u> providing inpatient treatment to patients with Crohn's disease or ulcerative colitis in a European DRG system.

According to Prof. Baumgart, "the additional expenses associated with complex treatment regimens are not fully accounted for in the German DRGs, and only partially recovered by supplementary payments." The gastroenterologist goes on to add: "The DRG-based system also provides false incentives, encouraging hospitals to focus on ensuring treatments generate revenue. This situation defies evidence driven ressource allocation and personalized medicine at the bedside." Highly-specialized disciplines, and patients with less-common conditions that require appropriate treatments, are experiencing an increasing level of pressure to adapt.

More information: Daniel C. Baumgart et al. The Expenditures for Academic Inpatient Care of Inflammatory Bowel Disease Patients Are



Almost Double Compared with Average Academic Gastroenterology and Hepatology Cases and Not Fully Recovered by Diagnosis-Related Group (DRG) Proceeds, *PLOS ONE* (2016). DOI: <u>10.1371/journal.pone.0147364</u>

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