



Press Release on the 13th European Health Forum Gastein, October 6 to 9, 2010

Healthcare financing: Reorientation regarding medical fees and outpatient care

Bad Hofgastein, 8 October 2010 – *At the invitation of the Austrian Ministry of Health, experts gathered at the European Health Forum in Gastein (EHFG) today to discuss international models for the efficient control of money flows and new fee and financing models for medical services. Austria is about to undergo a basic reorientation in the payment of medical services.*

Experts demand uniform, transparent and efficient health policy structures in Europe. “Throughout Europe, financing and fee models in the healthcare system are being fundamentally questioned, all the more so since the economic crisis. It is time to develop innovative new models and further refine promising models already in existence,” said Dr. Clemens Martin Auer, Director-General in the Austrian Ministry of Health, at today’s session of the European Health Forums Gastein (EHFG).

The EHFG in Bad Hofgastein, Austria, is the most important conference on health care policy in the EU. About 600 decision-makers in the fields of health care policy, research, science and business and from patient organizations have traveled there from more than 40 countries to discuss central future issues on European healthcare systems.

At the invitation of the Austrian Ministry of Health, experts from France, Denmark, Spain, UK and Austria are at the EHFG today to discuss different financing models. They presented their models, experiences and plans at a workshop, with an emphasis on the outpatient health sector in particular.

Director-General Auer: Controlling money flows more effectively

The main questions in the debate were these: To what extent are certain systems superior to others? What effects does each have on cost development? To what extent are systems transferrable?

Dr. Auer: “Healthcare financing revolves around more than the question of whether more or less money has to flow into the system. What we need most of all are more intelligent and more concise methods of controlling money flows. That is true for hospitals. Having the same parties finance hospitals and operate them, as we do in Austria, is certainly not a good approach for the long run. Not checking to see exactly where the money is flowing is always the least efficient approach in healthcare financing.”

Complete reorientation in the payment of outpatient services

Dr. Auer announced that Austria will soon see a fundamental reorientation in the financing of outpatient services. In Austria, office-based physicians are paid for each and every service on a flat-fee basis (fee-for-service or FFF system) based on fee agreements between the health insurance funds and the Austrian Chamber of Physicians. Hospital outpatient wards bill on an FFF basis through the health insurance funds and independent outpatient facilities usually have special agreements with the health insurance funds.

Hospitals shifted to financing based on defined case treatments (known internationally as “diagnostic-reference group” (DRG) financing) years ago. Dr. Auer noted that the goal now is to move from FFS financing for outpatient treatment to DRG financing. “The object is not to bill by health insurance voucher or the frequency of visits to the doctor but rather to calculate for treatment of a defined medical condition on a flat-fee basis, namely diagnostic reference group (DRG). This

change in financing is already part of the current law allowing physicians to form group practices (*Ärzte GmbH-Gesetz*). That is a complete turnaround and is the complete opposite of the fee-for-service approach we have had up until now.”

Work is underway in Austria on introducing a joint documentation of the outpatient treatment sector. Dr. Auer noted that this documentation will be used to successively develop valuation keys to set DRG fees for out-patient treatment.

European trends

These reform steps in the financing of physician and outpatient services are in line with the debate trends throughout Europe. International experts introduced new models such as “pay for performance” or “pay for quality.” In these cases, too, payment of medical service depends on the quality of treatment.

“With our new financing model, we are right in step with European trends,” Dr. Auer said. “After all, treatment quality will also have to be considered in connection with payment in the future valuation of DRG fees.”

Workshop 8: Healthcare financing: Organized by the Austrian Federal Ministry of Health in cooperation with Austrian Social Insurance: Friday, 8 October 2010

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