BMC Health Services Research

From paper to production – going live with HRG4

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Introduction

Healthcare Resource Groups [HRG] are the mechanism by which patient activity is classified according to case mix in England. They are the primary funding mechanism for acute care in the English National Health Service [NHS], under the Department of Health's Payment by Results [PbR] national policy. This Department collects annual cost data ('Reference Costs'), and uses this as the basis for setting a national tariff price at an HRG level for acute treatments, procedures and services. The current HRG reimbursement version is HRG version 3.5. The Department of Health has announced that from 1st April 2009, funding will be based on HRG4 instead.

"Going Live"

Since completing the design of HRG4 in April 2007, the NHS Information Centre Casemix Service has been working with its business partners (DH PbR, NHS Connecting for Health and the Audit Commission) to prepare for its use by the DH PbR team for national reimbursement from April 2009. This work is categorised under a number of key headings: Processes, Products, People.

Methods
Processes
i. Local data collection
Correct payment through PbR is wholly dependent on the source data collected in NHS provider organisations.

The benefits of HRG4, in better reflecting patient care at a service level, can only be fully realised if the underlying data are accurate and complete.

HRG4 addresses clinical areas (for example, Diagnostic Imaging, Chemotherapy and Radiotherapy) that have traditionally used departmental data-recording systems that might not be linked to patient administration systems [PAS]. Often such areas are out with the remit of clinical coding departments.

Under HRG4, some elements of treatment (such as renal dialysis and critical care) are 'unbundled' from the (core) HRG. Each occurrence of an unbundled element will generate an additional unbundled HRG, so it is important that clinicians and coders be aware of the unbundled components and clearly record and code these data.

The clinical community is embracing the benefits of HRG4, so the introduction and implementation are not hindered at a local level. Training, education and awareness are vital to understanding the steps in the PbR data process and highlight the importance of accurate data recording and communications in achieving correct payment.

ii. National costing and tariffs
Fundamental to the implementation of HRG4 is the annual collection of national Reference Costs data from NHS providers, to inform the setting of tariffs to reimburse providers under PbR policy.

The structure and scope of HRG4 differs significantly from its predecessor, HRG version 3.5; therefore, costs cannot simply be mapped between these schema. Furthermore, HRG4 is dependent on an updated schedule of interven-

tion and procedure codes, so the data for reference costs are dependent on the implementation of this revised code set.

Products
i. Groupers
HRGs are derived from care activity data, primarily ICD-10 diagnosis codes and the United Kingdom's OPCS-4 intervention and procedure codes recorded in local hospital systems. Care events are recorded in standard datasets and processed through the HRG4 grouping algorithm to assign appropriate HRGs for each event.

Data are grouped by local organisations for two purposes: to support the collection of cost data for reference costing in order to inform future tariff setting processes, and to provide information for local service planning. Data are also submitted monthly to a central service, the NHS Secondary Uses Service (SUS) to support reimbursement processes and attach a monetary value to patient care.

ii. Documentation
The Casemix Service has produced comprehensive web-based documentation setting out the HRG4 design and providing user guidance in the use of the methodology and its supporting toolset.

People
i. User support
The Casemix Service has enhanced its maintenance and support service to improve the service offered to our users. Such include:

- Establishing an online user forum (the Casemix Quality Forum)

- Developing our website to provide better access to our products and supporting information

- Publishing quarterly newsletters

ii. Awareness
We have also been very active in supporting implementation of our methodologies in the NHS. The Casemix Service has, therefore, been working in conjunction with its business partners to ensure that the NHS community is aware of the structure of HRG4, and understands the need to review their data collection and coding processes to improve the completeness and accuracy of data which will be used for payment and planning purposes.

Results
Ongoing – see above

Conclusion
Reimbursement via case mix requires a nationally integrated stakeholder approach to support healthcare providers and commissioners when translating policy requirements into local practice to benefit patient care. In England, a variety of approaches are being adopted to facilitate this.