



UNVEILING INFORMATION FOR DECISION SUPPORT A RESEARCH & DEVELOPMENT PROJECT FROM TURKEY

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Sinaia, Octombrie 2005

TURKEY - OVERVIEW

- **Population: ~ 70,000,000**
 - 0-4 29% Urban 75%
 - 5-64 65% Rural 25%
 - 65+ 6%
- **Gross Domestic Product**
 - 3,336 US\$ (2003 prices, estimated)
 - 6,158 US\$ (2002, ppp)

TURKEY – HEALTH DATA

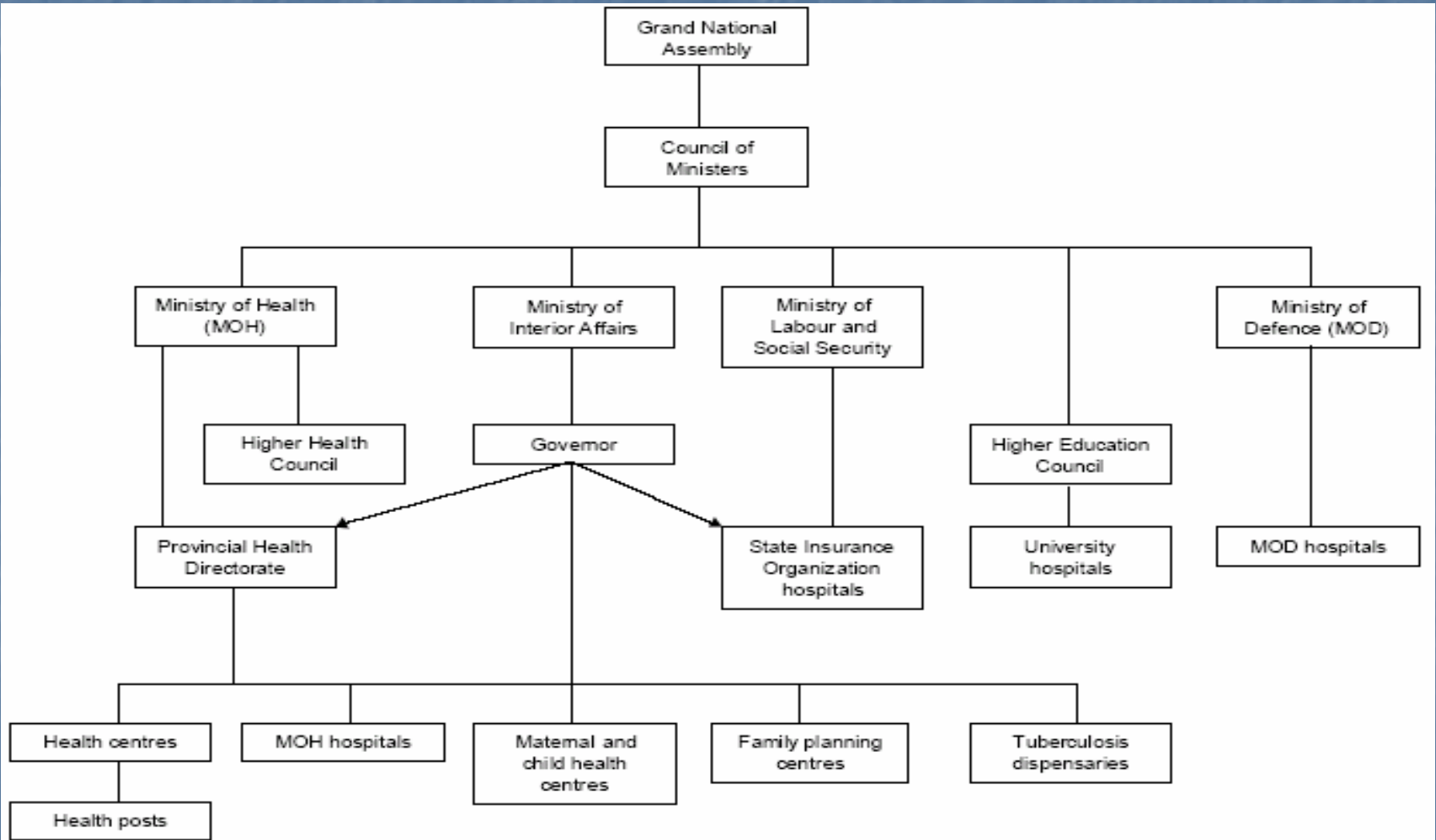
Health Expenditure (2000 - NHA)

- **GNP** **199,043 Billion**
US\$
- **Total H.E.** **13,726 Billion US\$**
- **Total H.E./GNP** **6,9 %**
- **Total H.E. per capita** **202 US\$**

HEALTH PROBLEMS

- **Health Indicators (2002)**
- **Life expectancy at birth (total) 69.1**
- **Crude birth rate 21.3 ‰**
- **Crude death rate 7.0 ‰**
- **Population growth rate 15.7 ‰**
- **Infant mortality rate 28.7 ‰**

COMPLEX HEALTH SYSTEM



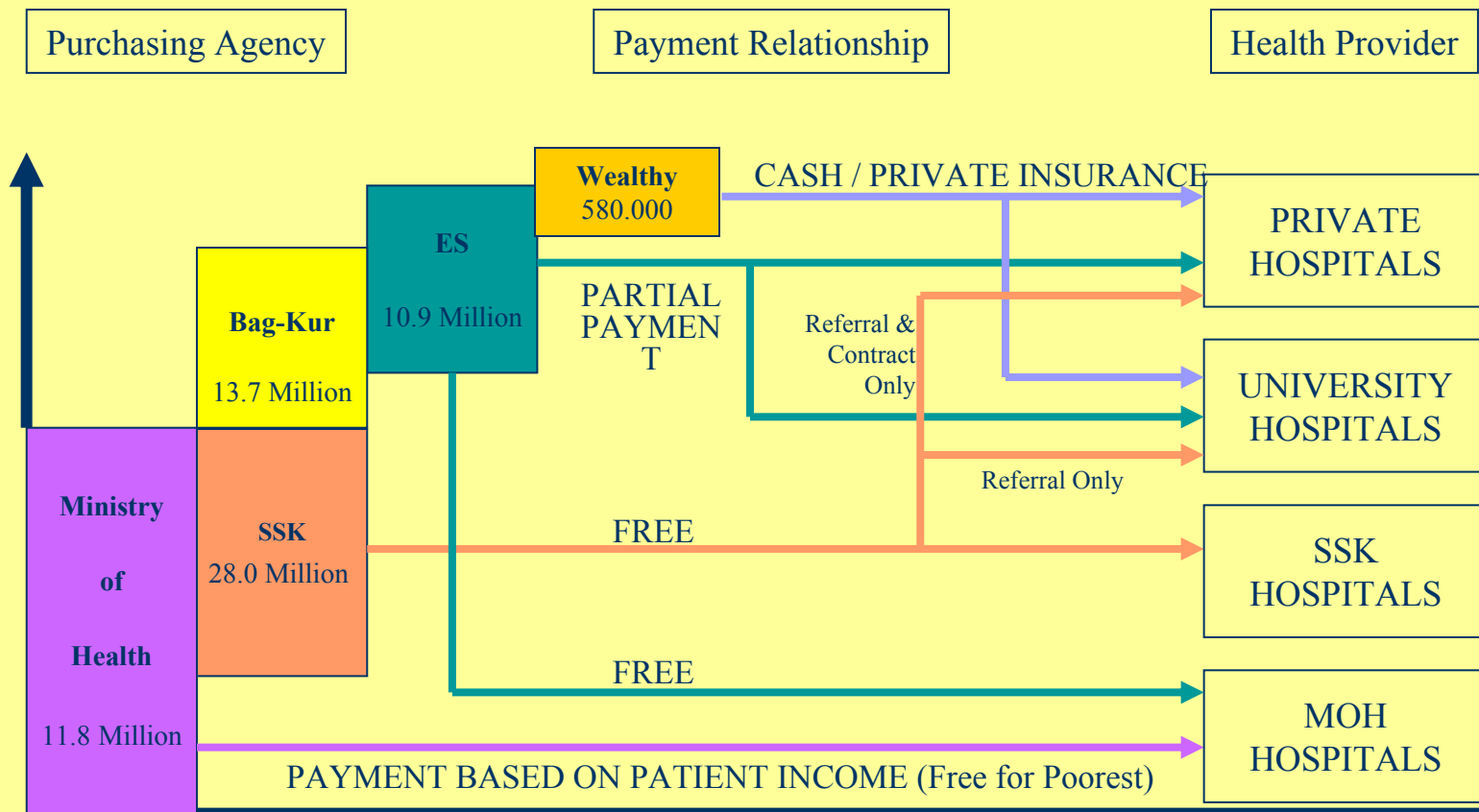
HEALTH FINANCING

- Social insurance (compulsory scheme)
- Government contributions
- Benefits are variable and not standardized
- Multiple insurance agencies
 - SSK
 - Bag-Kur
 - Emekli Sandigi
 - Green Card for “non ability to contribute”
 - Private insurance

HEALTH CARE REIMBURSEMENT

- Government payments
 - Salaries (20-50%) – MF/ML
- MoH payments
 - Utilities (inconsistent)
 - Green card patients
- Fee For Service Scheme
 - Reimbursement of provided health services
- Private insurers
- Out of pocket payments
 - Co-payments
 - Private providers

HOSPITAL SERVICES DELIVERY



THE PROJECT

Infrastructure Development for Strengthening and Restructuring of Healthcare Services Financial Management in Turkey

- **Hacettepe University**
- **TC Health Turkey**
 - **Tepe Teknoloji Ankara**
 - **Health Insurance Commission Australia**
 - **TC Health Australia**
 - **NCCH Australia**



PROJECT OWNERSHIP

Project financing agencies

- Ministry of Finance
- Ministry of Health
- Ministry of Labor and Social Security

Project owner

- Hacettepe University
- Research & Development Project

PROJECT COMPONENTS

- A. *Restructuring of Fee-For-Service Payment System: 15 months***

- B. *Development of a Prospective Payment and Budgeting System Based on Diagnosis Related Groups (DRGs): 19 months***

- A. *Development of Infrastructure for Medical Material Management: 18 months***

BUTCE UYGULAMA TALIMATI

BUT

- The FFS schedule used for all health care providers and all services (includes drugs)
- Revised yearly and ad hoc
- Maintained by the Ministry of Finance
- Problems
 - Increase in health expenditure – 300\$/capita
 - Some services/procedures not included
 - No diagnosis - procedure link
 - Lack of proper coding for diagnosis and procedures
 - Lack of proper classification for medical materials and devices
 - Insufficient medical and administrative rules for avoiding over utilization and billing
 - Fees not reflecting proportionate resource consumption among items
- **Yet most of BUT is worth keeping: keep what works!**

BUT REVIEW

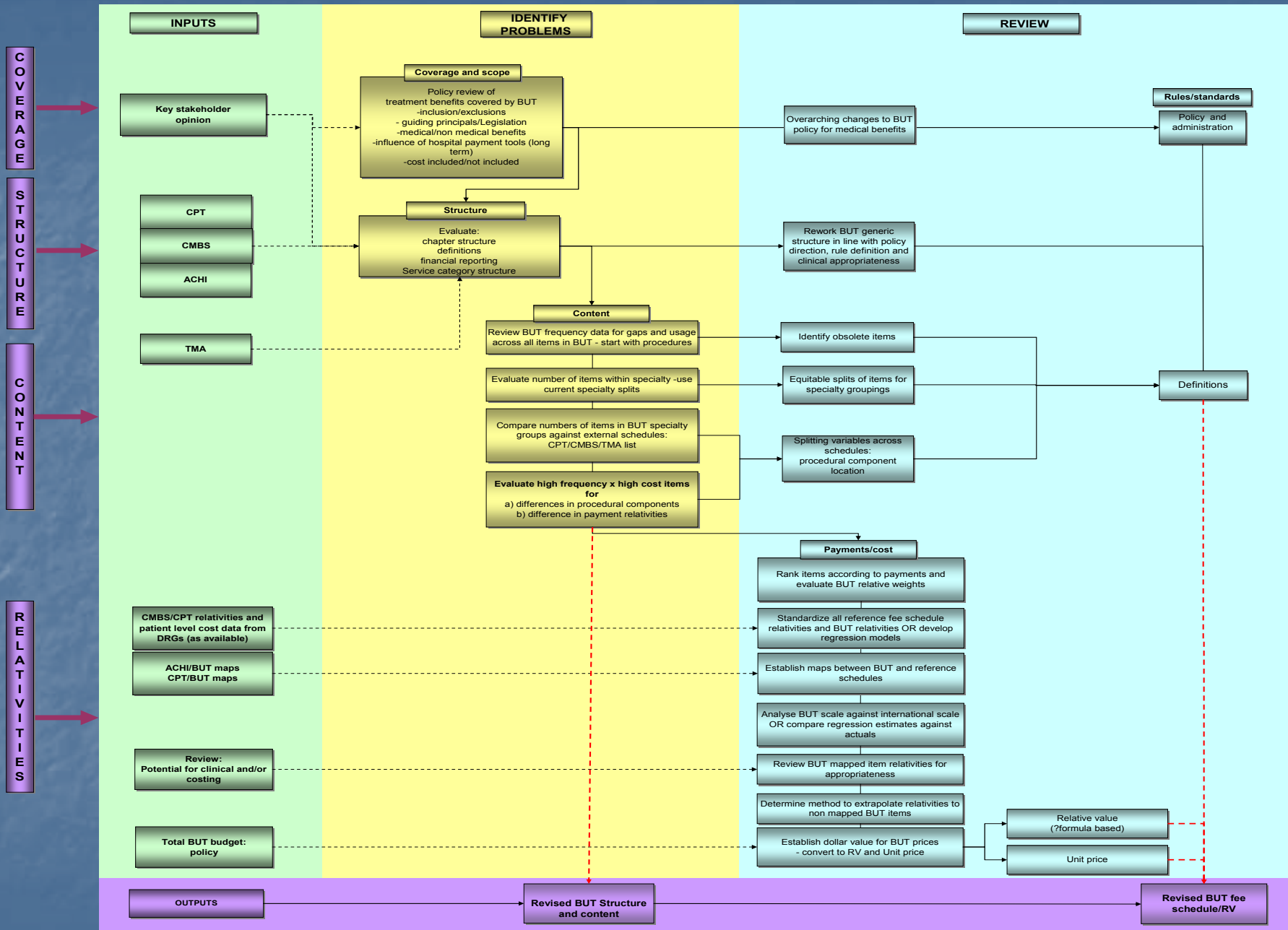
Expectations from a new BUT

- A new structure to ease usage, including IT version
- Improved content, in line with modern medical practice (new/obsolete procedures)
- Evaluation and monitoring of activity
- *Fair prices across specialties and providers, given by realistic relative value units*
- Accurate billing process
- Accurate track of drugs and medical devices used
- Clear rules for equity across providers and prevention of misuse of the schedule

BUT REVIEW

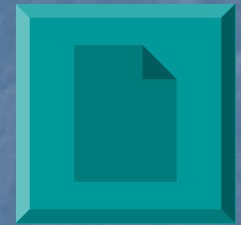
Expectations from the project

- Provide a new improved BUT in line with the international best current experience, yet adapted to the Turkish reality
- Provide a **framework** for identifying BUT problems and consequently generate a phased action plan for ongoing BUT revision



BUT ADVISORY REPORT

- Consistent approach
- Inputs to BUT problem identification and review process
 - Key stakeholder opinion
 - Other schedules and classifications – CPT, MBS
 - Cost data from DRG project
 - Mappings between BUT and other schedules and classifications
 - Clinical review
- Systematically address 5 topics
 - Scope and coverage
 - Structure
 - Content
 - Relativities
 - Rules and standards



BUT SCOPE AND COVERAGE

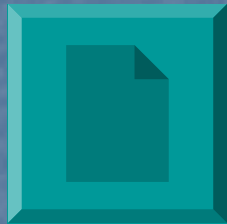
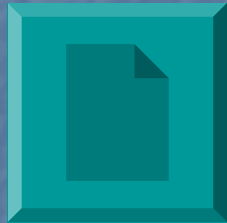
- Exploration of perceived issues associated with inclusions/exclusions of benefits
- Guiding principles in line with legislation – Health Insurance Law Draft
- Medical and non medical benefits
- Care plans
- The influence of hospital payment systems
- Extensiveness of rules and budget policy for BUT

BUT STRUCTURE

- Explanatory chapters
- Structure based on service categories - that is general practitioner, diagnostic services, therapeutic procedures (on anatomical basis), dental, allied health
- Definitions of services
- Indexing



BUT CONTENT

- Revise BUT granularity
 - Excessively bundled/aggregated
 - Too detailed
- Revise obsolete items/new procedures
- Compare number of items per specialty
- Identify services that are part of others
- Missing items
- Duplicated items



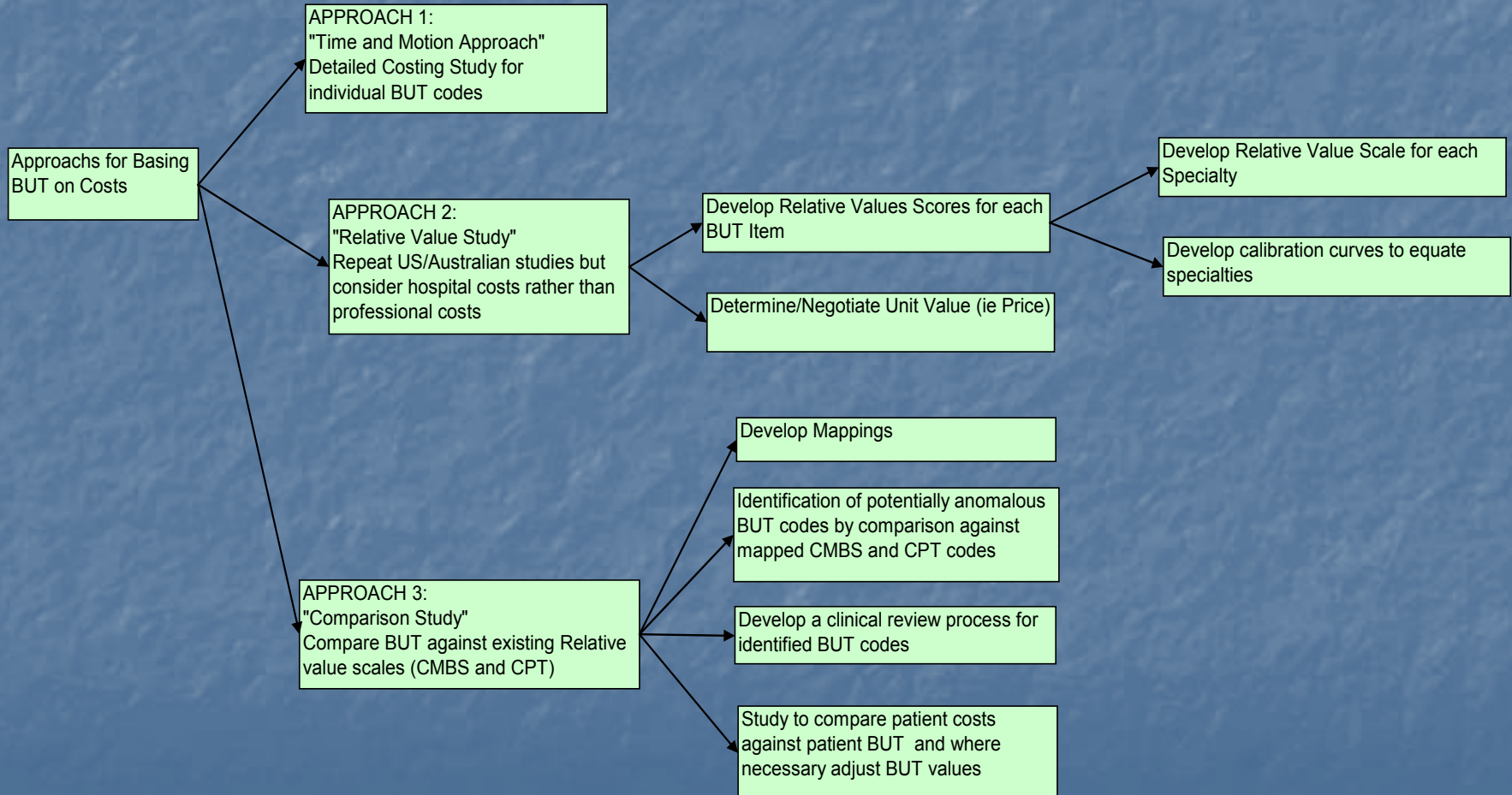
BUT RELATIVE VALUES

Move from price to resource based schedule

- Recognize current Relative Value Scale (RVS)
- Look at price equity within and across specialties
- Determine what fees cover 
- Develop a RVS and calibrate it across specialties
- Develop a conversion factor 
- Negotiate fees
- Develop a “protocol” for ongoing revision

METHODOLOGICAL OPTIONS

Figure 1: Possible approaches for moving the BUT towards a more cost based relative value scale

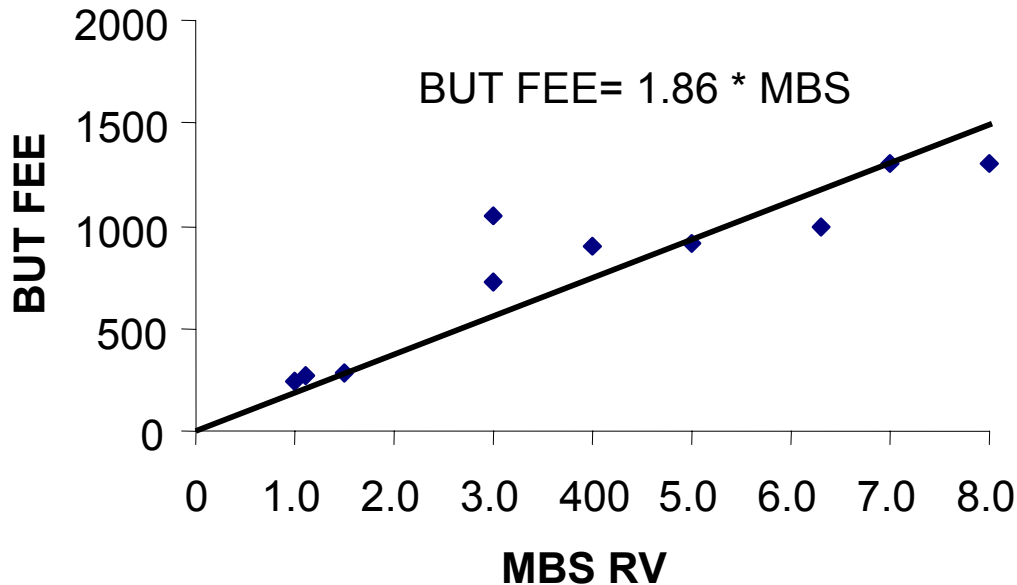


COMPARATIVE RVS FOR BUT

- A comparative study would compare the current fees in the BUT against an external source
- The external source should be validated by a RVS
- The study is essentially dependent upon accurate maps between the BUT and reference schedules – CPT, MBS
- A review of the mapped BUT item relativities for appropriateness – adopting clinical and costing approaches (mainly for outliers)
- Determine method to extrapolate relativities to non mapped BUT items
- Calibrate across specialties
- Conversion of BUT prices to RVs and Unit price

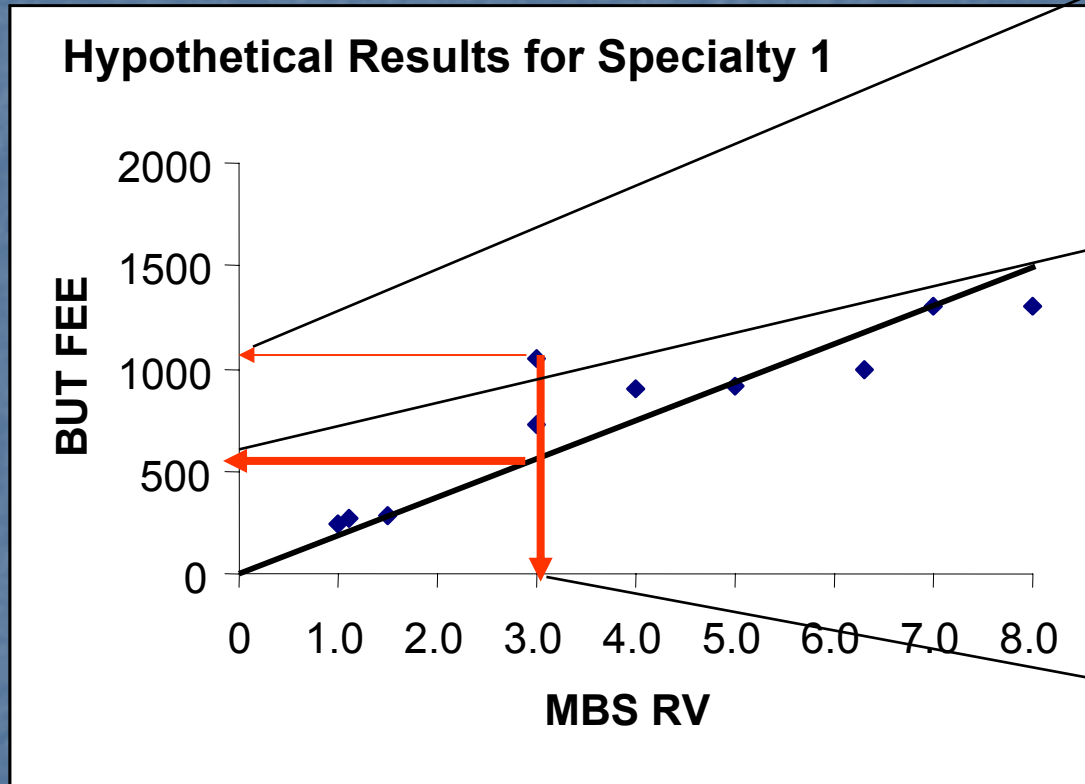
COMPARING MBS AGAINST BUT

Hypothetical Results for Specialty 1



- As both the MBS and BUT are linear scales then a straight line relationship should exist for equivalent codes.
- If imperfect maps are used then there will be an increase in the variability about the trend line
- Outlier points need to be subject to clinical and costing review.

ESTIMATED VALUES FOR ATYPICAL BUT FEES

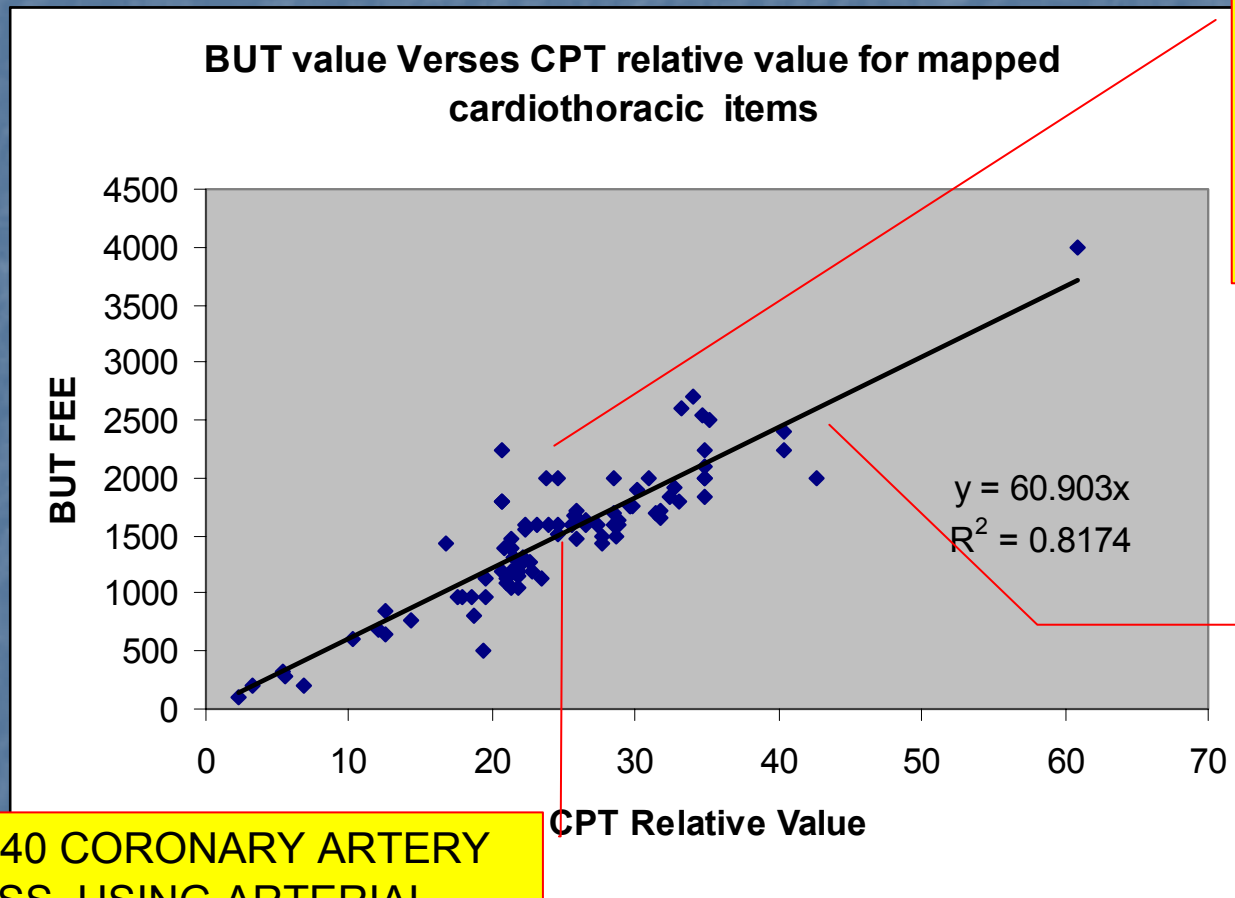


Actual BUT Fee

Estimated BUT Fee
based upon MBS

MBS RV for codes
mapping to the BUT
item

WHERE SHOULD OUTLIER GO?



604.470 SUTURE REPAIR OF AORTA OR GREAT VESSELS; WITH CARDIOPULMONARY BYPASS

605.840 TRANSVERSE ARCH GRAFT, WITH CARDIOPULMONARY BYPASS

604.940 CORONARY ARTERY BYPASS, USING ARTERIAL GRAFT(S); SINGLE ARTERIAL GRAFT

MOST WORK DONE...

Addressing outliers

- Reasons for outliers
 - Inaccurate mapping
 - Difference in medical practice
 - Differences in fee coverage
 - “Unfair” fee
- Outlier study
 - Develop a protocol for review
 - Find reason for outlier (mapping is critical)
 - Conduct clinical and costing review
 - Establish a review committee

ADMINISTRATIVE RULES

- Patient dispatch and transfer regulations
- Reporting and billing requirements (MBDS)
- Revision of the services that require a prior approval,
- Services NOT attracting benefits
- Rules for BUT revision
 - Including committees
- Proper coding of procedures – ICD 10 AM, (ACHI) adapted
- Conditions for denial of payment
- Penalties for misconduct/unethical practice,
 - abuse, gaming, etc.

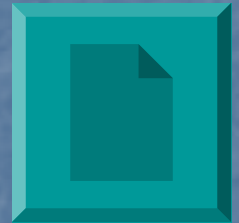
MEDICAL RULES

- Definition of procedures
- Diagnostic procedure link
- Special situations, such as “abandoned surgery”
- Patient safety issues,
 - such as guidelines for minimum standards for performing gastrointestinal endoscopic procedures
- Exclusion rules (medical)
 - what services cannot be billed together, as there are counter indications?
- Admission criteria - Services fit to be delivered for inpatients only/same day/as outpatient
- Obsolete procedures to be excluded

RUNNING PROJECT

Accomplishments

- Advisory report
- Framework for BUT ongoing review
- Prioritization of objectives on short, medium and long term
- New structure template accepted
- Trainings for coding and RVS
- RV Study methodology accepted and tested
- Hospital costing exercise to advice costs
- New administrative rules accepted



**NEW BUT 2006 TO BE
PUBLISHED EARLY
DECEMBER**

**SEE YOU NEXT YEAR FOR
AN UPDATE ON BUT
REVIEW**