

<b>Title</b>	Patient-based funding A literature review of experiences in other countries
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<b>Reference</b>	ETMIS 2013 9 (5) French edition (PDF) 978-2-550-69198-3 <a href="http://www.inesss.qc.ca/fileadmin/doc/INESSS/Rapports/EtudeEconomique/INESSS_Financement_axe_patients.pdf">http://www.inesss.qc.ca/fileadmin/doc/INESSS/Rapports/EtudeEconomique/INESSS_Financement_axe_patients.pdf</a>

### Aim

A large number of studies and experiences have shown the impact of service provider funding methods on the effectiveness, quality and efficiency of patient care. In several countries, a decision was therefore made to replace global budgeting with activity-based funding (ABF), which establishes a closer link between the services provided and resource utilization. Recently, this issue was also raised in Québec, and a panel of experts was created with the aim of preparing the gradual implementation of ABF, or, more generally, patient-based funding (PBF) in the health and social services sector.

In this context, it was useful to examine experiences in other countries and especially the results observed. The objective of this report is to examine and describe these experiences, to detail the steps involved in developing and implementing them, to determine the prerequisites and conditions necessary for implementing them, and to point out the obstacles that need to be overcome and the mistakes to be avoided to permit the successful implementation of PBF in Québec.

### Methods

The criteria for choosing countries came down to the availability of literature in French or English enabling us, on the other hand, to describe the fundings systems used, most of which are based on DRGs (diagnostic-related groups), and the steps that led to their development and implementation, and, on the other, to assess the impact of these systems. All ABF and PBF systems have four basic components: a) choosing or developing a patient-based activity classification system; b) gathering demographic, clinical and economic data; c) establishing prices or tariffs for each category; and d) the actual payment or reimbursement. These components will serve as the initial points of reference for analyzing the different elements, in addition to which are considerations regarding the objectives sought and the results obtained.

### Conclusions and results

The administrations that have put an ABF system in place that is, those of the eight European countries under consideration, but also those of other countries, do not question this choice in any way but rather confirm its appropriateness. The advantages of ABF, especially with regard to transparency,

more than make up for its drawbacks, although the different parts of the price system require some improvements, apart from regular updates. In general, ABF systems were implemented according to an array of objectives; however, their simultaneous pursuit and their evolution for the years have often resulted in their becoming conflicting and losing their relevance to health care providers. Depending on the scope of the PBF (or ABF) system, administrations have proceeded with a stepwise implementation, making it easier to manage its impact on establishments' management of data, clinical processes and budget resources, and thus avoid a potential major destabilization.

At the end of its analysis, INESSS identifies certain concepts and principles that should guide the development of any truly patient-based funding system.

### Written by

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