STANDARD SUMMARY PROJECT FICHE - TRANSITION FACILITY

1. Basic Information
   1.1 CRIS Number: 2005/017/518.05.03
   1.2 Title: Development of national coding standards within the Czech DRG system
   1.3 Sector: Employment, Social Affairs and Health
   1.4 Location: Czech Republic

2. Objectives
   2.1 Overall Objective(s):
The ability to assure functioning market economy and to respond to the competition pressures and market forces inside the Union. The ability to meet the obligations related to the membership including compliance with goals of political, economic and monetary union.

   2.2 Project purpose:
Development of the national coding standards for clinical and economic data, as this will contribute to achieving high quality and objective data needed for measuring economic and health care quality effectiveness that will lead to more effective utilization of public finances, especially with regard to the reimbursement of healthcare costs.

   2.3 Justification
The Comprehensive Monitoring Report, chapter B, Economic Issues “It is necessary to perform a deeper and more comprehensive reform focused on social benefits, pension system and health care. In order to receive a long-term fiscal stability, it will be necessary to introduce further measures, in particular in the area of mandatory and quasi-mandatory expenditure, social benefits, pension system and reform of the health care. It is necessary to further restructure the health care system in order to control the costs and settle debts of the main health care facilities. Attention should be paid to improvement of health of the citizens and health-related costs.”

The Government of the Czech Republic accepted by its Resolution No. 1046/2002 from 30 October 2002 the Long Term Program for Improvement of Health Care Status of the Czech Population (The Health for All in the 21st century). This Resolution refers to Article 152 of the Treaty Establishing the European Community (Amsterdam Treaty). It also refers to the Declaration of the WHO from its 51st plenary session in 1998. This Resolution calls for establishing the DRG system for controlling high quality of health care provided and for more effective allocation of financial resources. The body responsible for implementing the DRG system is the National Reference Centre (page 45, article 17.1.4. and 17.1.5.).

Recommendations for the establishment of the DRG classification system have also come from OECD and the World Bank. In the Economic survey by OECD of the Czech Republic from March 2003 it is stated in the article 115 of chapter III that “DRG reimbursements will be generalised to all hospitals but the difficulties of such generalisation should not be underestimated. Nevertheless the very introduction of the experiment is a major step forward and the programme builds substantively on international experiences, notably creating a detailed data base on actual cost and quality outcomes which will be used in the future management and refinement of the system.” In the final recommendation in the article 5 it is stated that ”The Diagnostic-Related Group (DRG) experiment should be generalised to all hospitals after careful review of its results...”

In the year 2004 the delegates of the World Bank were invited by the Czech government to discuss the problems of the financial sustainability of the Czech health care system. The delegates of the World Bank met several times with the main stakeholders of the health care system. The outcome of these meetings is Aide Memoir from 21-22 May 2004 where it is stated that all the participants agreed that the implementation of the DRG system must be completed in order to reduce the increase of health care costs.

The DRG system could help to further restructure the health care system in order to control the costs and settle debts of the main health care facilities. The DRG system is the tool that can help to fulfil the aim of the reform.

x DRG – Diagnosis Related Group
of public finances i.e. it is able to specify how the public finances was spent on particular service and not generally on the institution and thus is able to clarify allocation of expenditures from public finances. The DRG system can classify how much was spent by an individual hospital on particular treatment.

3. **Description**

3.1 **Background and justification:**

The issue of overall effectiveness of the system remains an important problem of the transformation of the Czech health care. In 1990 the Czech Republic decided to pursue an overall transformation of the system from the state model to a more pluralist and decentralized general health insurance system.

Reform of the health care financing resulted in a dramatic increase in accessibility of the health care, in particular in the area of expensive examination and treatment technologies, including the use of new drugs. This success is inevitably linked to a risk of an equally dramatic increase of costs. Currently, the Czech health care system approaches the point of a critical financial unbalance. Due to the loss of financial motivation, the system is costly and inefficient and there is a need for the introduction of economic instruments allowing for an increase of the pressure on effectiveness of the system, evaluation and quality control of its clinical and economic outputs.

Costs of hospital care in the Czech Republic are at the level of around 50% of total health care expenditure of the health insurance companies in the Czech Republic. The total amount of expenditures on health care in 2003 was 7.57% of the GDP. The Ministry of Health of the Czech Republic estimates that the DRG system will bring annually 50% decrease of increasing expenditures on acute bed care that is approx. 3% of total expenditures on health care (= approx. 1.5 billion CZK per year).

The Czech Republic has been looking for the best methods of financing hospital care. Introduction of different forms of capitation payments helped to partially address the issue of a significant lack of financial means witnessed by the Czech health care system in the mid 90s. These capitation payments are used in different forms in all health care sectors. However, the introduced capitation payments almost killed any effective economic motivation.

Given the fact that systems of clinical classification of patients (e.g. DRG) describe the production of a hospital in a comprehensive and easy-to-understand manner allowing also for comparison between individual Czech hospitals and their counterparts in foreign countries, the Czech Republic decided to introduce this system to the Czech conditions in 1997.

The implementation of the classification DRG system for the Czech health care system enables an effective behaviour of all stakeholders in the health care system and thus enables a more effective utilisation of public finances for the reimbursement of health care costs. At the same time the DRG system enables an objective monitoring of the effectiveness and quality of the health care provided and thus enhances competition among hospitals.

This will bring positive aspect into the Czech health care system. It has been proved that the use of the DRG system can help to stabilize the financial status of hospitals and public health insurance systems and that it contributes to an increased efficiency of health care services. In order to minimize the potential problems that the DRG system brings, it has been decided by the Ministry of Health that the DRG system will be introduced step by step for the purpose of reimbursement of health care costs. This is the main reason for utilizing the DRG system for the purpose of reimbursement in only 25% of the hospitals. The next reason why the DRG system is implemented only in 25% of the hospitals is that the DRG system is not a mandatory system of reimbursement. So far it is only upon the contract between the given Health Insurance Fund and the given hospital what system of reimbursement they decide for.

For the purpose of overall objective and more effective allocation of public finances it would be very useful to legally regulate the national coding standards so that the DRG system could be implemented as obligatory classification system in next two or three years. It is broadly accepted throughout the EU that the DRG system positively affects effectiveness and quality of health care systems.

That is why many countries of the EU have implemented the DRG system (for example Austria, Germany, France, Northern countries, Spain etc.). For example according to the Austrian experience DRG system helps to decrease significantly increasing expenditures on acute bed care while maintaining quality, accessibility and equality of provided health care. That is why Austria has started to implement the DRG system also in out-patient care. However, the DRG classification system has become a routine in the Czech Republic. The National Reference Centre collects data from 20 hospitals of different types and sizes. From this data the relative weights are counted. These weights are used for the reimbursement of health care costs for more then 40 hospitals that is about 25% of all hospitals in the Czech Republic.

The National Reference Centre has got high quality technical equipment for analyzing economic and clinical data. If the data is of sufficient quality it could be utilized by the Ministry of Health, Regional governments, Municipalities and other supervisors as well as by the management of hospitals. Through high quality data it is possible to improve the effectiveness of allocation of public finances that is in line with CMR, particularly with p. 8. in chapter B where it is stated that *the health care system to be restructured in order to control costs and eliminate the debts of the main health care facilities*. Through the DRG classification system it is possible to mine
high quality data. High quality analysis based on this data can help justify the reduction of ineffective health care facilities or the reduction of particular ineffective departments of the hospitals. Added to that such an analysis helps the management of hospitals to control their expenditures on pharmaceuticals and health care materials.

What they are currently missing is the high quality data. The main reason for this is that during the preceding projects (see Linked Activities) the aspect emphasized on the technical support for data collection and the establishment of the National Reference Centre. Unfortunately there are no national clinical coding standards that could be utilized for the DRG system. Hence it is not possible to give to the Ministry of Health, the Regional governments, the management of hospitals and other entities a tool for an economic and high quality management of their hospitals.

At present, the coding for the DRG in the health care facilities in the Czech Republic reports a 54 % error rate. The quality of medical records varies significantly, as there is no legislation defining precisely the minimum content of medical records and discharge reports. (Form and content of the reports varies according to the management of the individual departments, uniformity of the reports is often not guaranteed even within one health care facility.) Having this in mind it is clear that it is not possible to receive information in sufficient quality for the allocation of financial resources according to the type and complexity of the care. Further it does not sufficiently motivate the health care facilities to cut the health care costs while maintaining high quality and accessibility of the care.

The increase of the quality of clinical data (via coding) represents a basic presupposition for the functioning of the DRG system and its use for hospital costs measurement and management. While using the DRG system, health care can be evaluated more realistically and objectively thus increasing motivation of hospitals to operate more efficiently and to assess and control their health care quality. The DRG system will allow the Health Insurance Funds to measure and evaluate outputs of the individual hospitals and thus create an efficient pressure to cut the costs in the inpatient care segment.

The proposed project will firstly help to develop Czech national coding standards for clinical and economic data. Secondly, it will assist in developing the methodology for coding procedures in hospitals, in training trainers for proper coding and in developing the methodology for the revision of proper coding. The project purpose will consequently lead to a significant improvement in the objectivity of information about the real production of the hospitals and finally it will help to achieve a long-term fiscal stability of the health care sector.

### 3.2 Linked activities:

**Czech project No. 6429 “Development and Testing Operation of Diagnostic Groups Classification System in the Czech Republic”**.

In 2001 the Ministry of Health of the Czech Republic together with the associations of the health insurance companies and the hospitals decided to start a coordinated preparation for the implementation of a suitable DRG system in the Czech Republic. In the period between 2001 and 2004 the Ministry of Health managed the project “Development and Testing Operation of Diagnostic Groups Classification System in the Czech Republic” (No. 6429).

The objective of the project was the development of a national classification system, the implementation of the pilot project and a test operation of the classification system on a selected group of hospitals and health insurance companies. The general objective of the project was the preparation of an environment and tools flexible enough for a nationwide use of the classification system in hospital care and preparation for the transition to DRG based on the existence of a single methodology. This project was completely financed from the state budget with the total amount of approximately 3 million €. The project finished at the end of 2004 and the final report has been recently prepared. The project resulted in the adaptation of the DRG system to the conditions in the Czech Republic and the implementation of a pilot project in 20 hospitals.

**Phare Project CZ 02.04.10. 2002 / CZ/02/IB/OT/05 “Establishment of Public Health Management System”**. The main objective was to set up the National Reference Centre in order to use the DRG system for the purposes of health care financing and quality evaluation.

With regard to the project purpose it can be referred to the last (5th) quarterly report where it is stated that “We (twinning partners) would like to emphasize the great expectancy and attendance to the seminars, especially in those referred to Codification, basic tool in a system of information based on Diagnosis Related Groups. Some of the foreseen results have not been achieved such as the realization of an audit in the different hospitals that participated in the project to evaluate the quality of their data, at a clinical and economical level, task that should be completed in the near future as a measure of guarantee of reliability”.

According to the seminar schedule it can be seen that there were only 3 different seminars on coding procedures. There were no activities that would lead to the establishment of a system of coding, training and revision.
3.3 Results:
• National coding standards for International Classification of Diseases – 10 (ICD-10) developed; approved by the Ministry of Health and used by health care providers of in-patient care in the CR.
• Methodology of coding procedures and diagnoses ready. Methodology approved by the Ministry of Health together with the IPVZ, the Association of University Hospitals and the Association of Bohemian and Moravian Hospitals and used by the IPVZ for training of the medical staff from all health care facilities in the CR.
• Methodology of training for trainers on coding procedures and diagnoses developed; approved and used by the IPVZ.
• Methodology of controlling coding of clinical data in hospitals developed; approved by the IPVZ together with health insurance funds and used by the IPVZ for training on how to control coding in hospitals.
• Classification system of medical services (Procedure Coding System) defined and described, specific enough for the purposes of DRGs; approved by the IPVZ.
• Medical records standards developed in compliance with the EU standards, including the draft discharge reports and draft legislative regulation and approved by the Ministry of Health together with the IPVZ. Standards used by care providers of in-patient care in the CR.
• Benchmark studies of DRG and medical services classification systems carried out for ICD-10 and ICD-10 modifications, describing the current status of knowledge about diseases, with the description of disease stage where such description is useful for monitoring or evaluation of health care with recommendations how to administer the classification. It will be approved and utilized by the IPVZ for training courses.
• The team of at least 18 Czech trainers of trainers set up.

3.4 Activities:
(1) Twinning
focused on :

(I) CREATION OF METHODOLOGIES

A. Creation of benchmark studies of DRG systems used in the EU and an overview of suitable classification systems of medical services for ICD-10:
• The overview of DRG systems used in the EU: Their common and different characteristics.
  1. Seminar focused on development of the specific national DRG system.
  2. Seminar focused on modification of a system for the national needs.
  3. Seminar focused on criteria for splits (that means making two DRGs from 1 DRG) and shifts of DRGs (that means transfer an individual case from one DRG group to another DRG group).
  4. Seminar focused on procedures of changing of the definition manual (definition manual is description of algorithm for sorting individual medical cases into the individual DRG groups).

• Classification system of medical services
  Overview of classification systems suitable for ICD-10 (the classification system here means a list of services and a list of codes of these services). This is an overview. The classification system that would be suitable for the Czech Republic should be selected or developed under the Technical Assistance Seminar focused on developing and updating of the classification systems. How are they spread in Europe? (In case of a transition of a system to the Czech Republic, what selection criteria should be used?) Where are the main sources of information on individual classification systems?
  Seminar focused on technology for development of national classification system and its updating

• ICD-10
  Seminar focused on how to keep up with updates given the current level of medical knowledge. How to maintain, amend and at the same time comply with the international agreement on using ICD-10.

B. Creation of the coding methodology.
The coding methodology shall define the procedures for health care facility management to be able to choose the best financial and quality model of the coding process in the health care facility depending on the size of the facility, the number of admissions and the structure of cases. This methodology shall also describe the procedures for the implementation of the model in practice. The methodology shall also describe the qualification requirements for the external entity and the method of how to provide for compliance with valid legal regulation (personal data protection, etc.).

C. Creation of the methodology of coding training.

- Creation of studies focused on both models of training – 1. Postgraduate education (full time study as well as e-learning), 2. As part of full time study (special Bachelor’s courses or new course at Medical Faculties, secondary health care schools). Studies shall contain description of the necessary time allocation, draft curriculum for different levels of student knowledge (physicians, health care staff with secondary education, medical students with at least four completed terms at Medical Faculty, people without medical background).
- Creation of the methodology of training for people without medical background in clinical terminology.
- Defining of requirements for textbooks, list of available training materials from abroad.
- Description of suitable methods for certification of coding specialists. Creation of sets of testing questions and guidance for their evaluation and future development. The test results shall ensure a sufficient level of education of the staff responsible for the coding.

D. Creation of the methodology for controlling of proper coding activities

The methodology should answer the following questions:

- Who performs the review of coding, is it efficient to train the current physician reviewers?
- Is it possible to contract a private audit company and what are the legislative conditions or how to proceed within the current legislation?
- How often shall the review be performed?
- What sanctions for inappropriate coding shall be used?
- How to distinguish up-coding from unintentional coding mistakes and what actions shall be taken by the review body or payer of health care services?
- The methodology should include the calculation of time and financial demands of the whole review system.

(II) Training activities

A. Training of trainers for future training (at least 18 persons). 9 trainers will be employees of health insurance funds (one for each health insurance fund) and the rest (9 trainers) will be employees of the IPVZ. The trainers will be learning how to teach (while within the Technical Assistance they will be learning what to teach).

- Seminar about coding practice – lessons about who performs coding, what is the coding process structure, controlling of coding.
- Seminar about support software products for coding, their overview and training in their use.
- Seminar about how to create coding departments or how to motivate medical staff to code correctly.

Participants (18) shall learn how to train coding (e.g. how to devise courses, what scope, levels, how to certify. How to develop testing questions, textbooks. How to devise courses focused on physicians, nurses, paramedics, secondary school graduates without medical background. How to teach terminology for people without medical background.).

B. Training of inspectors of coding.

- Controlling of proper coding in practice.

Required Human Resources:

The RTA (Residence Twinning Advisor)

available for the period of approx. 13-15 months. The expert will work with NRC-IPVZ (experience with case mix classification systems and their implementation required, as well as creation of a national classification system, its development and cultivation). Professional requirements, qualifications – university education in the medical or economy fields, at least five years of working for an institution involved in implementation of national version of the case mix classification system, at least one year of working as a leader of a team creating a nationally specific case mix classification system. Working language: English

MTEs (2 Medium Term Experts) – the overall time required is approximately 6 man-months.
1) **1 MTE** for the period of at least three months to develop coding methodology and to teach coding in the cooperation with the Czech party. Professional requirements, qualifications – university or secondary school graduate, at least five years of working in an institution responsible for education of coders, which has a system of coder certification and creates study materials on coding. At least one year of work in a team that creates coding rules.

2) **1 MTE** for the period of at least three months to assist in the creation of a review system. Professional requirements, qualifications – education in economy/health care, active coding auditor or reviewer, at least one year of experience as team leader, five years of work in an institution that carries out coding audits/reviews.

**STEs (12 Short Term Experts)** – required at least for 20 days = 240 man-days:
12 STEs for training, workshops, consultations. Professional requirements – professionals in the field of coding, audit activities focused on coding, training in coding, experience with creation of a national coding system. Experience in creation of textbooks and test questions.

**Technical Assistance (0.450 M€):**

focused on

- Creation of National Coding Standards for ICD-10 including a proposal for its legal regulation
- Selection or development of classification system of medical services (Procedure Coding System) that will be coherent with the Czech DRG system. Description of procedures for its administration and updating taking into account the developments in medicine.
- Training of trainers for the Czech Coding Standards for ICD-10. The trainers will be learning what to teach that means they will be learning the Czech Coding Standards for ICD-10 and its application. 9 trainers will be employees of health insurance funds (one for each health insurance fund) and 9 trainers will be employees of IPVZ. These trainers will be the same as in the twinning part of the project.

Development of draft contents and form of medical records in in-patient care and a discharge report (including modifications), including its proposed legal regulation.

**Required Human Resources:**

Approximately 20 man-months for the development of professional standards, methodology and proposals as assistance to the Ministry of Health of the Czech Republic and the National Reference Centre. The required experts should have the following qualification: they should be internationally recognized experts in DRG coding systems and familiar with the List of Services with the points’ values. They should have proven experience as trainers of trainers in coding standards for ICD-10 and also experience in creation of coding standards.

3.5 **Lessons learned:**
The draft project uses practical experience gained when monitoring and reviewing specific outputs from the Phare Project CZ 02.04.10. “Establishment of Public Health Management System” and Czech project No. 6429 “Development and Testing Operation of Diagnostic Groups Classification System in the Czech Republic” of the Ministry of Health of the Czech Republic. Such experience relates above all to the results of the pilot project within the No 6429 project in which the National Reference Centre under the auspices of IPVZ in cooperation with specific health care facilities attempted to create a mutually beneficial communications and data relationship leading to successful fulfilment of goals of the NO 6429 project, as well as the information needs of health care facilities. It was this direct experience and requirements of professional public for cultivation of the DRG system in the Czech Republic that resulted in an effort to significantly increase the quality of the collected data (by improvement in coding and standardization of medical records) and to optimize the process of collection.

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1 Clinical coding standards can be created in two ways: 1. appropriate coding standards are taken from abroad (as in the case of Spain); 2. own national coding standards are created (as in the case of U. K. or Germany). With regards to the Czech national health care system, the CR has decided to create its own national coding standards. The coding standards are similar to the List of Services with the points’ values (List of Services) but they are not identical. The time and personal requirements are based on the experience with the creation of the List of Services. The proposal of the List of Services was being prepared at the Ministry of Health for about 6 months and during the following 6 months discussions on this proposal with other stakeholders were carried out. The proposal was prepared by 10 employees of the Ministry of Health. A Board of stakeholders consequently approved the proposal. This Board consisted of permanent experts of the Czech Medical Chamber, health insurance funds, Ministry of Health and ad hoc experts of different medical branches. Therefore the estimate of time, financial and personal requirements for the creation of national coding standards is based on the experience with the creation of the List of Services and on the experience of the experts from the U. K. and Germany.
and processing of data from reference health care facilities and thus provide relevant and quality data base for the needs of the DRG system.

Another benefit comes from the experiences with the Performance Measurement System 2000 (PMS 2000) which is a project monitoring measurements of productivity, effectiveness, costs and quality in hospitals and other entities of the health care system, with an option of ad hoc testing of all these entities within the PMS 2000 system.

4. Institutional Framework

**Ministry of Health** (MoH) is responsible for the legislation related to the public health. MoH is responsible for the legislative framework in the area of financing the healthcare system.

The beneficiary and implementing body will be: **Institute of Postgradual Medical Education (IPVZ)** is a public institution financed by the Ministry of Health. Within this institution has been established the National Reference Centre that is responsible for development, implementing and maintenance of the DRG classification system in the Czech Republic. The National Reference Centre has been collecting and evaluating large volumes of data on the health care provided, guaranteeing their quality and representativeness as well as setting up the relevant parameters of the classification system. NRC currently utilizes high-performance information technology for collection and processing of data from health care facilities while maintaining the highest possible level of data security.

Among other beneficiaries of the project **health care facilities** and **health insurance funds** can be listed. Both payers and providers of health care will not only have access to methodology materials, but they will be able to obtain practical findings of a group of trainers. A group of trainers, together with methodology materials and benchmark studies will be one of the main outputs of the project.

The Steering Committee will be set up in which a representative of the CFA and CFCU will participate. The SC will meet every three months to supervise the implementation of the project.

5. Detailed Budget (M€)

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6. Implementation Arrangements

6.1 Implementing Agency:

The Central Finance and Contracts Unit (CFCU) is the Implementing agency responsible for administrative and financial implementation of the project (tendering, contracting and payments). The contact person is **Mr. Jan Slavíček**, Programme Authoring Officer (PAO), phone 420-2-5704-4551, fax 420-2-5704-4550, email: jan.slavicek@mfr.cz. Address: Ministry of Finance, Letenská 15, 118 10 Praha 1.

The contact point at the Ministry of Health is **Ms. Katerina Ciharová**, Director of the International Department phone: +420 224-972-140, e-mail: katerina.ciharova@mzcr.cz. Address: Ministry of Health, Palackého náměstí 4, 128 01 Praha2.
Responsibility for technical aspects related to preparation, implementation, coordinated and controls will be on the side of the Institute of Postgraduate Medical Education.

The Project Leader is Mr. Antonín Malina, Director of the Institute of Postgraduate Medical Education, phone: +420 271 019 238, email: reditel@ipvz.cz. For address see bellow point 6.2.

The CFA is responsible for overall monitoring and evaluation of the project implementation. The main contact is: Ms. Jana Hendrichová, Director of the CFA, Ph. 420-257-044-559, e-mail: jana.hendrichova@mfcr.cz. Address: Ministry of Finance, Letenská 15, 118 10 Praha 1.

6.2 Twinning

National Reference Center – contact: Mr. Jirí Valach, Institute of Postgraduate Medical Education (Institut postgraduálního vzdělávání ve zdravotnictví), Ruská 85, 100 05, Praha 10, phone 420-271-019-501, fax 219-019-275, email: valach@nrc.ipvz.cz - will be the main beneficiary and will be responsible for the operation and human resources of the project.

6.3 Non-standard aspects

N/A

6.4 Contracts

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<tr>
<td>Contract 2 – Technical Assistance</td>
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7. Implementation Schedule

| 7.1 Start of tendering/call for proposals | Twinning | 4 Q/2005 |
| 7.2 Start of project activity         | Twinning | 2 Q/2006 |
| 7.3 Project Completion                | Twinning | 3 Q/2007 |
|                                      | Technical Assistance | 4 Q/2007 |

8. Sustainability

The goal of the project is to achieve that NRC, thanks to findings and outputs from this project, can obtain high quality information from health care facilities and can provide, based on their processing, analysis and evaluation, detailed information on the situation and development in the health care sector of the Czech Republic. Data transferred to NRC will be beneficial as a source of reliable information and the processing outputs will be broadly accepted by the public and will be used as indicators of health care in the Czech Republic.

The project is a continuation of activities supported from the state budget and resources under the PHARE programme. Its goals constitute an inseparable part of the overall strategy of introducing the DRG system in the Czech Republic. The Ministry of Health is responsible for operation and cultivation of the system.

At the moment when the national coding standards come into force all hospitals will have clear rules for coding and all health insurance funds will have tool for controlling of coding. Next results of this project - the Methodologies of coding, training and controlling of coding - will be the property of the state institution, namely of the main beneficiary – IPVZ. The IPVZ is institution that has been teaching medical staff of hospitals and health insurance funds since 1953. This is the best and clear indicator that the results of this project will be continually utilized for improving the Czech health care system.

Every health insurance fund has different procedures of controlling so it is necessary to have extra trainer for each health insurance fund. The quality of coding control is very important for the effective utilizing of the DRG system by the health insurance funds. The other 9 trainers will be employees of the IPVZ that will teach a medical staff from hospitals.

The trainers will be selected and nominated by the health insurance funds and IPVZ, they will be essential for their roles in the DRG system and thus these institutions will have a strong motivation to maintain and develop further the team of trainers.

For the purpose of overall objective and more effective allocation of public finances it would be very useful to legally regulate the national coding standards so that the DRG system could be implemented as obligatory classification system in next two or three years.
9. **Conditionality and Sequencing**

The project should start by the Twinning component - creation of the methodology (points A – D). Only after approx. four months the TA can start. The TA Component outputs (methodology, standards, coding rules etc.) will be further used for the training under the Twinning. Other parts of the Twinning Component, II – Training Activities (A-B) should follow. This project will build upon the achievements of the preceding Phare project CZ 02-04-10. The results of the project will be approved and adopted by the Ministry of Health.

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**ANNEXES TO PROJECT FICHÉ**

1. Logframe planning matrix
2. Detailed implementation chart
3. Contracting and disbursement schedule
### LOGFRAME PLANNING MATRIX

**Programme name and number:** TF CZ 2005

<table>
<thead>
<tr>
<th>Overall Objective</th>
<th>Objectively verifiable indicators*</th>
<th>Sources of verification</th>
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<td>The ability to assure functioning market economy and to respond to the competition pressures and market forces inside the Union. The ability to meet the obligations related to the membership including compliance with goals of political, economic and monetary union.</td>
<td>Acknowledgement by the European Commission</td>
<td>Relevant EC reports and documents</td>
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<th>Project Purpose</th>
<th>Objectively verifiable indicators</th>
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<th>Assumptions</th>
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| Development of the national coding standards for clinical and economic data, as this will contribute to achieving high quality and objective data needed for measuring economic and health care quality effectiveness that will lead to more effective utilization of public finances. | • Decrease of error rate in diagnoses and medical services coding inpatient health care facilities by 15% within one year after the beginning of training in the Czech coding standards (an error means classification of the case in incorrect DRG)  
• In future years, decrease of error rate by 10% annually, reaching the target for error rate < 17% within three years after the beginning of training in the Czech standards  
• Within two years from the development of draft modification of contents and form of medical records and discharge report the contents of medical records describing the case admitted shall be sufficient for correct classification in DRG (case mix | • Project reports  
• Report on annual coding audit kept at the NRC  
• Annual reports of health insurance companies and health care facilities | Ministry of Health Care will continue to support development and cultivation of the DRG Coding Standards in the Czech Republic. |
<table>
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<th>Objectively verifiable indicators</th>
<th>Sources of verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• National coding standards for International Classification of Diseases – 10 (ICD-10) developed; approved by the Ministry of Health and used by health care providers of in-patient care in the CR.</td>
<td>• Electronic version of Czech coding standards for ICD-10 distributed to all health care facilities and health insurance companies by the end of 2007</td>
<td>• Electronic version of Czech coding standards for ICD-10 kept at NRC - IPVZ</td>
<td>All tasks under this project shall be managed and coordinated effectively and all involved parties shall be duly informed.</td>
</tr>
<tr>
<td>• Methodology of coding procedures and diagnoses ready. Methodology approved by the Ministry of Health together with the IPVZ, the Association of University Hospitals and the Association of Bohemian and Moravian Hospitals and used by the IPVZ for training of the medical staff from all health care facilities in the CR.</td>
<td>• Analysis of classification systems of medical services with the recommendation of the best system for the CR (own/transfered) and description of methods of its required administration and cultivation assigned to Institute for Postgraduate Medical Education.</td>
<td>• Project outputs submitted to and approved by SC</td>
<td></td>
</tr>
<tr>
<td>• Methodology of training for trainers on coding procedures and diagnoses developed; approved and used by the IPVZ.</td>
<td>• Benchmark studies of DRG and classification systems of medical services for ICD-10 and ICD-10 modifications, describing the current status of knowledge about diseases, with the description of disease stage where such description is useful for monitoring or evaluation of health care with recommendations how to administer the classification handed over</td>
<td>• Project outputs discussed at the level of the Czech Ministry of Health</td>
<td></td>
</tr>
<tr>
<td>• Methodology of controlling coding of clinical data in hospitals developed; approved by the IPVZ together with health insurance funds and used by the IPVZ for training on how to control coding in hospitals.</td>
<td>• Methodology for training coding, review activities, coding audit handed over to IPVZ 18 trainers trained: nine physician reviewers, seven physicians,</td>
<td>• Implementation Status Report submitted by NAC twice a year</td>
<td></td>
</tr>
<tr>
<td>• Classification system of medical services (Procedure Coding System) defined and described, specific enough for the purposes of DRGs; approved by the IPVZ.</td>
<td></td>
<td>• Monitoring reports submitted for discussion by the SMSC twice a year</td>
<td></td>
</tr>
<tr>
<td>• Medical records standards developed in compliance with the EU standards, including the draft discharge reports and draft legislative</td>
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</tbody>
</table>
regulation and approved by the Ministry of Health together with the IPVZ. Standards used by care providers of in-patient care in the CR.

- Benchmark studies of DRG and medical services classification systems carried out for ICD-10 and ICD-10 modifications, describing the current status of knowledge about diseases, with the description of disease stage where such description is useful for monitoring or evaluation of health care with recommendations how to administer the classification. It will be approved and utilized by the IPVZ for training courses.
- The team of at least 18 Czech trainers of trainers set up.

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>ASSUMPTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Twinning</td>
<td>1. TW-Twinning (approx. 0.550 M€):</td>
<td>• Continued co-operation between all partners involved.</td>
</tr>
<tr>
<td>1. Creation of methodologies</td>
<td>1 RTA for approx 13-15 months:</td>
<td></td>
</tr>
<tr>
<td>• Creation of benchmarks studies of DRG systems used in the EU and an overview of suitable classification systems of the medical services for ICD 10</td>
<td>The expert will work with NRC – IPVZ (experience with case mix classification systems and their implementation, creation of a national classification system, its development and cultivation is requested)</td>
<td></td>
</tr>
<tr>
<td>• Creation of the coding methodology</td>
<td>1 MTE for at least three months:</td>
<td></td>
</tr>
<tr>
<td>• Creation of the methodology of coding training</td>
<td>For development of the coding methodology, coding training in cooperation with the Czech party</td>
<td></td>
</tr>
<tr>
<td>• Creation of the methodology for controlling of the coding activities</td>
<td>1 MTE for at least three months:</td>
<td></td>
</tr>
<tr>
<td>II. Training activities</td>
<td>To assist with creation of a review system</td>
<td></td>
</tr>
<tr>
<td>• Training of trainers for future training (approx. 18 persons)</td>
<td>12 STE (at least 20 days = 240 man-days)</td>
<td></td>
</tr>
<tr>
<td>• Training of inspectors of coding procedures</td>
<td>For training, seminars, consultations</td>
<td></td>
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</tbody>
</table>

two medical staff with secondary education focusing on review activities, coding, medical terminology for the purposes of DRG, developments of classification systems and cultivation of case mix system for national needs (150 hours of workshops and consultations) by the date of the project termination
### 2. Technical Assistance

- Creation of “Czech Coding Standards for ICD-10” including a proposal for its legal regulation
- Selection or development of classification system of medical services (Procedure Coding System) that will be coherent with the Czech DRG system. Description of procedures for its administration and updating taking into account the developments in medicine.
- Training of trainers for the Czech Coding Standards for ICD-10.
- Development of draft contents and form of medical records in in-patient care and a discharge report (including modifications), including its proposed legal regulation

| Approximately 20 man-months for development of professional standards, methodology, proposals and benchmark studies as assistance to the Ministry of Health Care of the Czech Republic and IPVZ NRC |

<table>
<thead>
<tr>
<th>Preconditions</th>
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<tbody>
<tr>
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**Abbreviations:**

- **AP DRG**: All Patient Diagnosis Related Groups
- **DRG**: Diagnosis Related Group; DRG represents systems of clinical classification distributing patients to the so-called diagnosis related groups (DRGs) with similar clinical characteristics and economic demands of the health service
- **ICD-10**: International statistical classification of diseases and related health problems, tenth revision.
- **IPVZ**: Institute of Postgraduate Medical Education.
- **IR-DRG**: International Refined Diagnosis Related Group.
- **MoH**: Ministry of Health.
- **NRC**: National Reference Centre
- **OECD**: Organisation for Economic Co-operation and Development
- **WHO**: World Health Organisation
## DETAILED IMPLEMENTATION CHART

**Project**: Development of standards to enhance the Quality of coding within the Czech DRG system

<table>
<thead>
<tr>
<th>Year</th>
<th>Action</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>J</td>
<td>F</td>
<td>M</td>
</tr>
<tr>
<td>1) Twinning contract</td>
<td>Start of tendering</td>
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<td></td>
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<tr>
<td></td>
<td>Start of project activity</td>
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<tr>
<td></td>
<td>Project completion</td>
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<tr>
<td>2) TA contract</td>
<td>Start of tendering</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Start of project activity</td>
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<tr>
<td></td>
<td>Project completion</td>
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</table>
## ANNEX 3

### CONTRACTING AND DISBURSEMENT SCHEDULE

#### Cumulative Quarterly Contracting Schedule (mil. €)

<table>
<thead>
<tr>
<th>Project Title</th>
<th>1Q/05</th>
<th>2Q/05</th>
<th>3Q/05</th>
<th>4Q/05</th>
<th>1Q/06</th>
<th>2Q/06</th>
<th>3Q/05</th>
<th>4Q/06</th>
<th>1Q/07</th>
<th>2Q/07</th>
<th>3Q/07</th>
<th>4Q/07</th>
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<tbody>
<tr>
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<td>1.000</td>
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<td></td>
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</table>

#### Cumulative Quarterly Disbursement Schedule (mil. €)

<table>
<thead>
<tr>
<th>Project Title</th>
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<th>2Q/05</th>
<th>3Q/05</th>
<th>4Q/05</th>
<th>1Q/06</th>
<th>2Q/06</th>
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<th>4Q/06</th>
<th>1Q/07</th>
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<th>3Q/07</th>
<th>4Q/07</th>
<th>Total</th>
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<tbody>
<tr>
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<td>0.650</td>
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<td>0.750</td>
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