

# A BENCHMARKING MODEL FOR EXPENDITURES ON OUTPATIENT CARE IN AUSTRIA

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## BACKGROUND / OBJECTIVES

The Social Insurance Institutions in Austria provide health care services for about 8 million people. In 2008 the nine regional sickness funds spent € 2.5 billions (25% of total expenditures) on outpatient care.

Since there is no nationwide benefit catalogue in effect, every health insurance fund negotiates with the providers' associations its own benefit catalogue, containing fees for services. Therefore different organizational models for the provision of care exist (concerning structure of supply).

So far, no method to conduct comparative analysis for this large part of the expenditures had existed. As a consequence, a benchmarking system, which enables the nine regional sickness funds to identify relevant fields of action, had to be implemented. The model follows a best practice approach and allows deriving measures to allocate financial resources more efficiently. The project was commissioned by the General Assembly of all Austrian Health Insurance Funds.

## METHODS

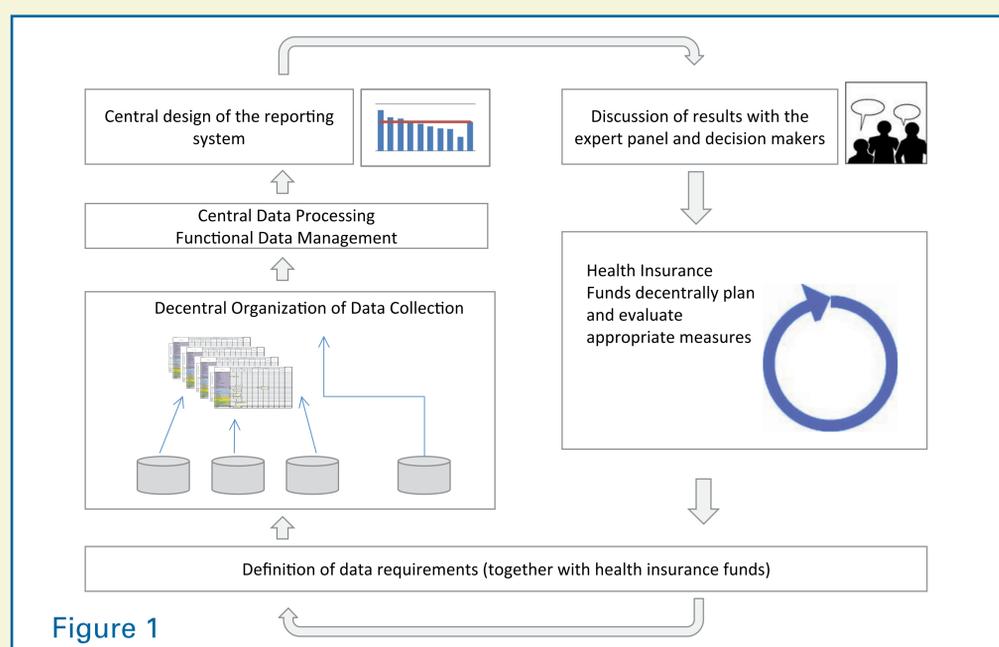


Figure 1

Four perspectives of analysis using the principles of the Balanced Scorecard Model were developed:

- Finance
- Structure
- Quality and level of health care provision
- Processes

In a first step financial perspective and structure were emphasized.

A tool classifying expenditures for outpatient care according to type of provider and specialty was developed. Contrary to prior analysis, the costs for technical services (physical therapy, radiology, laboratory, CTs, MRIs) were reclassified into own subgroups in order to eliminate the effect of heterogeneous benefit catalogues and to receive comparable entities.

The sickness funds were compared by the ratio costs per beneficiary for the adjusted specialties as well as for the technical subgroups. In order to identify possible fields of action this ratio was further split into a price and a volume component.

This analysis was conducted for the different types of providers as well.

For selected specialties the analysis was conducted at the level of procedures to gather more detailed information about the composition of the respective costs.

The results were integrated in a twofold management cycle (Figure 1), taking into account the federalized structure of the Austrian Social Insurance (centrally conducted analysis, locally planned and controlled measures).

## RESULTS

An example of possible results

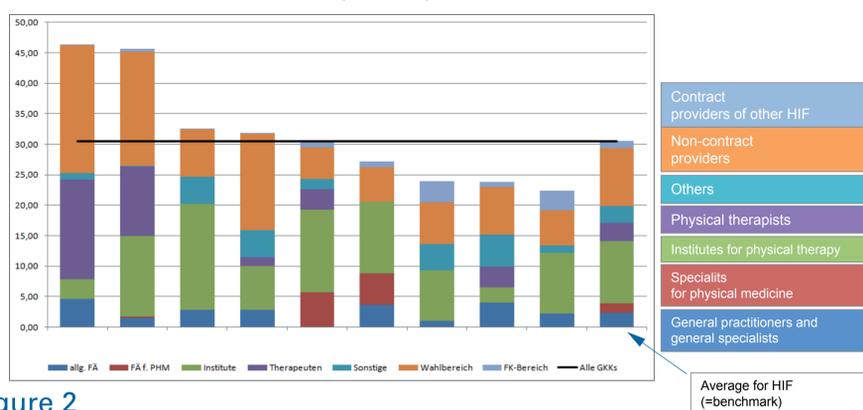


Figure 2

Figure 2 shows an example for the composition of the costs for physical therapy for nine Austrian health insurance funds, using the ratio of costs per beneficiary and the average of all funds.

It is obvious that the costs per beneficiary are widely spread, which is to some extent due to the heterogeneous structure of supply.

These results give a transparent and complete overview of the supply and costs for physical therapy/medicine for the respective health insurance funds and can be used for further discussion and the development of measures.

## CONCLUSIONS

Benchmarking of expenditures on outpatient care has been neglected for a long time due to various reasons, e.g. difficulties in comparing the different sickness funds.

This model, however, enables benchmarking by providing an approach to create comparable entities.

A benchmarking model using a ratio system and developing comparable entities was created as a decision support system. This enables the regional sickness funds to analyze the composition of costs for outpatient care.

For the very first time, the way from benchmarking alone to interpreting the results and deducing appropriate actions has been simplified, since the analysis is part of an accepted management cycle.



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