

# DRGs: a way forward

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Some thoughts on India's journey ahead

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# It is a journey...

Took NHS more than a decade to transition to DRGs (the English HRG system)

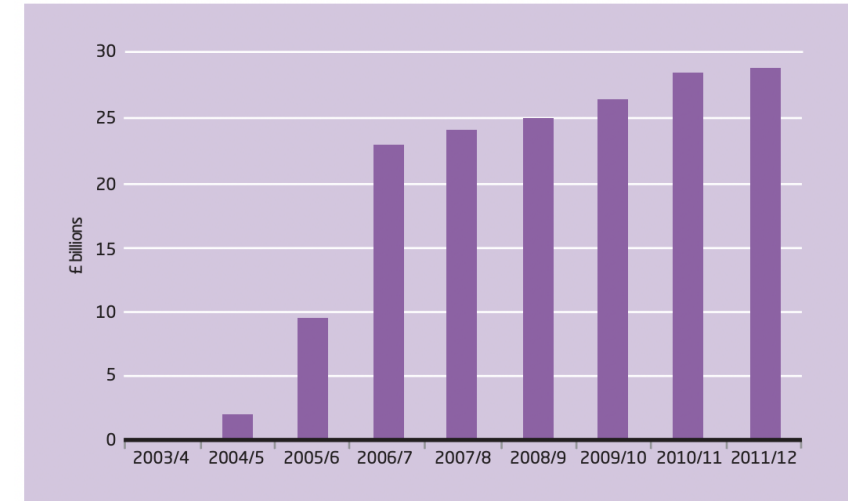
**Table 2 Overview of the evolution of the English HRG system**

From: [Paying for the quantity and quality of hospital care: the foundations and evolution of payment policy in England](#)

	1st DRG version	2nd DRG version	3rd DRG version	4th DRG version	5th DRG version	6th DRG version
Date of introduction	May 1992	August 1994	June 1997	October 2003	October 2006	Phase 1: April 2013
(Main) Purpose	Patient classification	Patient classification	Patient classification	Patient classification, reimbursement	Patient classification, reimbursement	Patient classification, reimbursement
DRG system	HRG1	HRG2	HRG3.1	HRG3.5	HRG4	HRG4+
Cost and/or performance data used for development	Adaptation of United States DRGs	Data analysis of groupings	Clinical review to refine for ICD-10. Statistical analysis	Clinical Working Groups refined categories. Statistical analysis	Expert working groups' micro-costing data	Expert working groups, clinical communities, as well as international casemix developments and best practice*
Number of DRGs	534	533	572	610	Updated annually: 1389 (2006/7) to 1657 (2011/12)	Updated annually: 2100
Applied to	Public hospitals	Public hospitals	Public hospitals	Public hospitals/private hospitals or treatment centres treating NHS patients	Public hospitals/private hospitals or treatment centres treating NHS patients	Public/private hospitals or treatment centres treating NHS patients
	Acute admissions	Acute admissions	Acute admissions	Acute admissions	Acute admissions	Acute admissions
				Outpatients	Outpatients	Outpatients
				Critical Care	Critical Care	Accident and Emergency
						Critical Care

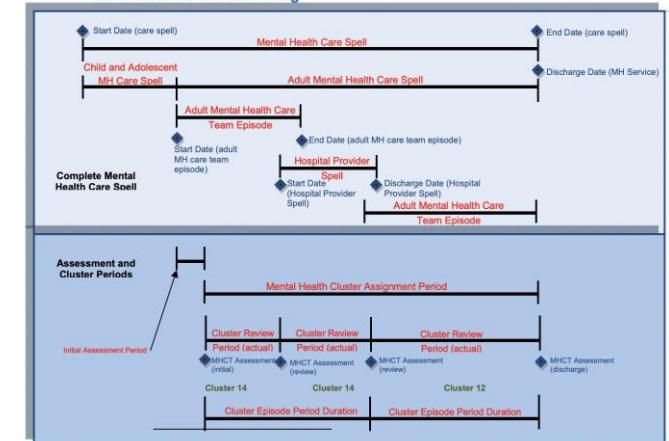
Mental health and maternity services as well as specific disease areas such as cystic fibrosis care and young people with diabetes not introduced until recently with MH Clusters proposed in 2014/15

**Figure 2 Value of activity covered by Payment by Results**



Source data: Department of Health (2011a)

**Figure 2: Illustration of a mental health care spell and related assessments and clustering**

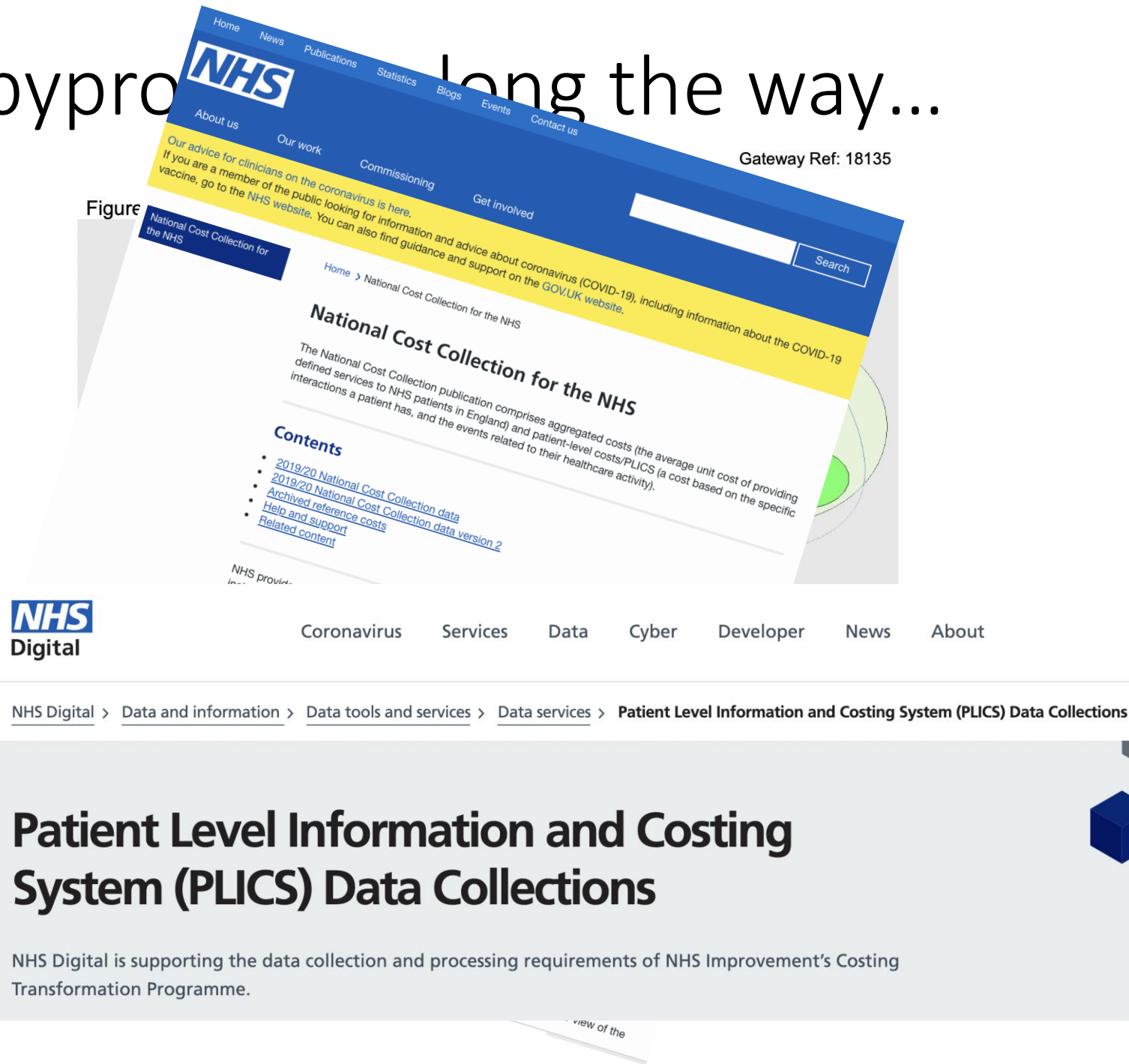


# With lots of useful byproducts along the way...

Better data incl costing data

Stronger accountability

Ability to performance manage



# India is ahead of NHS's starting point

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Strong digital health infrastructure and dashboard

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Starting from fixed rates rather than FFS

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Commitment to tracking and rewarding provider quality

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BUT..ensure it is fit for purpose given Indian context





THANK  
YOU