

Casemix Service HRG4

Introduction to HRG4

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INTRODUCTION TO HRG4

This document introduces the new version of Healthcare Resource Groups - HRG4, developed by The Casemix Service of the Information Centre for Health and Social Care.

What are Healthcare Resource Groups?

Healthcare Resource Groups (HRGs) are standard groupings of clinically similar treatments which use comparable levels of healthcare resource.

In their most basic form HRGs are groups of ICD-10 diagnoses and OPCS procedures that have similar resource implications.

HRGs offer organisations the ability to understand their activity in terms of the types of patients they care for, and the treatments they undertake. They enable the comparison of activity within and between different organisations and provide an opportunity to benchmark treatments and services to support trend analysis over time.

HRGs are currently used as a means of determining fair and equitable reimbursement for care services delivered by providers. These consistent 'units of currency' support standardised healthcare commissioning across the service.

The current version of HRGs (v3.5) has been in use since October 2003. The Casemix Service has now completed a major revision, HRG4.

HRG4 will support Payment by Results (PbR) by providing a classification framework that represents current clinical practice.

In addition, HRG4 will support service planning, costing and commissioning between PCTs and Trusts by providing reliable and consistent presentation of activity data to:

- Support the focus on patient-centred care, to enable patient choice.
- Support the analysis of healthcare needs and monitoring of service provision, to inform service planning.

Data collected through HRG4 will allow commissioners to develop transparent service level agreements with trusts and other service providers.

Why Has HRG4 Been Developed?

HRG4 has been developed to:

- Improve the accuracy of costing within the NHS by enabling cost data to be reported at greater levels of specificity in relation to service provision
- Acknowledge the impact on resource use of complications and comorbidities
- Reflect changes in clinical practice and costs
- Increase coverage by introducing HRGs to new clinical areas.
- Introduce the concept of 'setting independence'
- Improve the statistical performance of HRGs
- Incorporate improved identification and classification of procedures using updated OPCS codes
- Enable more precise analysis of healthcare needs within the service

What's New in HRG4?

HRG4 is the newly revised and updated version of Healthcare Resource Groups. It is a major revision increasing the number of groupings from 650 to more than 1400 and will deliver:

- A portfolio of new and updated HRG groupings that accurately record patient treatment to reflect current practice and anticipated trends in healthcare
- Additional specialty and service coverage, including:
 - Chemotherapy
 - Radiotherapy
 - Specialist Palliative Care
 - Critical Care
 - Interventional Radiology
 - High cost drugs
 - Diagnostic Imaging
 - Rehabilitation
 - Multiple Trauma
- Setting independence to accurately reflect care given, regardless of where it is delivered

- Improved complexity and complication splits to better reflect variations in severity
- 'Unbundling' of elements of care that can be identified as additional, exceptional, high-cost or non-routine treatments. Unbundled HRGs have been developed for:
 - Chemotherapy – regimen and delivery
 - Radiotherapy – planning and treatment
 - Interventional Radiology
 - Diagnostic Imaging (e.g. MRIs/ PET)
 - Rehabilitation
 - Renal Dialysis
 - Critical Care
 - Specialist Palliative Care
 - High cost drugs
- Spell based HRGs that will cover a patient's whole stay from admission to discharge

What are the Benefits of HRG4?

- It will extend HRG coverage to recognise a wider group of clinical professions and services
- It will differentiate more effectively between routine and complex cases
- The improvement in the match of classification and casemix activity to clinical practice will help managers to plan, commission, budget and resource care services
- Unbundling of high cost elements will improve the performance of HRGs so that they can better represent activity and costs by:
 - Identifying specialist services
 - Supporting service redesign (e.g. locally commissioned rehabilitation)
 - Supporting patient choice by introducing increased flexibility to allow separate elements of the care pathway to be delivered by different providers

- Ensuring that HRGs are 'setting independent', acknowledging changes in clinical practice and delivery of care across non-traditional care settings. This will support the NHS Plan to modernise service in line with determined best practice, and enable choice for PCT commissioners and, by extension, the patient

How HRG4 Was Developed – Stakeholder Engagement

Healthcare Resource Groups are developed and updated in consultation with the NHS through stakeholder engagement groups (Expert Working Groups and Expert Reference Panels).

The HRGs are divided into clinically meaningful chapters, with at least one Expert Working Group (EWG) providing medical, financial and allied health professional guidance for the development and design of HRGs within each chapter.

There are also four Expert Reference Panels (ERPs):

- Paediatrics
- Cancer Services
- Chronic Disabling Diseases
- Specialised Services.

These panels consider HRG design issues that affect multiple clinical areas, to ensure that a uniform and consistent approach is applied across the portfolio.

This engagement in HRG4 design via EWGs and ERPs included some 78 NHS Trusts; clinical representatives from 51 Royal Colleges and Professional Bodies; 38 NHS finance representatives and 29 Specialised Services Representatives.

Further information

For more information about the work that the IC is undertaking in relation to Healthcare Resource Groups please visit our web site:

www.ic.nhs.uk/casemix

If you require additional information or assistance, please raise a query through our Contact Centre:

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