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Italian Health Care Reform: Jefferson Researchers Participate in Evaluation Efforts

Daniel Z. Louis, MS
Elaine J. Yuen, MBA
Francesco Taroni, MD*

* all from Thomas Jefferson University

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Italian Health Care Reform: Jefferson Researchers Participate in Evaluation Efforts

The Italian National Health Service (Servizio Sanitario Nazionale) was established in 1978 following a model similar to the British National Health Service. It provides universal coverage through a single payer. The health budget is funded mainly by general tax revenue and a special payroll tax. The national government allocates funds to the 21 regions (similar to states in the US) on a capitation basis that, in turn, allocate resources to approximately 200 geographically defined local health units which are responsible for the provision of community health care. General practitioners are paid through a capitation arrangement at a predetermined rate but with no financial incentives related to specialty referral or hospital use by their patients. Specialists are based at the hospital, and are salaried employees of the National Health Service. Hospitals are primarily publicly owned but a significant number of private hospitals receive some public finding through a contract with the National Health Service.

In response to concerns about rising health care expenditures, a new hospital financing system was adopted in Italy in 1995 with many of the features of the Diagnosis Related Groups (DRG) based prospective payment system in the United States. The new Italian hospital financing system provides prospective case-based rates for hospital payment using DRGs to define patient types. Because Italy has a single payer system, all patients are equally affected by financing changes and no cost shifting between patients should occur.

As was true in the United States, the new Italian financing system provides incentives for hospitals to reduce length of stay and to substitute lower cost services for more expensive services. Important concerns with the implementation of this financing system are its impact on quality and outcomes of patient care. For example, will the cost-cutting incentives go beyond eliminating unnecessary or marginally beneficial care and also affect needed care? Will reductions in length of stay or use of specific services lead to poorer patient outcomes such as increased severity of illness at discharge, increased re-admissions, or higher mortality rates?

To help address these concerns, researchers at Jefferson's Center for Research in Medical Education and Health Care have received a grant to collaborate with Francesco Taroni, MD, and his staff at the Agenzia per i Servizi Sanitari Regionali (ASSR or Agency for Regional Health Care Services), a government agency which has been formed to evaluate the quality of care in the new Italian health care system. Center researchers will facilitate the development of quality of care evaluation instruments and systems of external control that will be used under the new hospital financing system. Major tasks include proposing a system of indicators of quality of care; selecting and piloting indicators that describe the impact of the new hospital financing system; and evaluating the applicability of a PRO approach within the Italian health care system. This project will be instrumental in establishing an ongoing quality of care monitoring system for Italian hospitals.

The Center has performed a variety of other projects in Italy including a previous collaboration with Istituto Superiore di Sanita (Italian National Institute of Health).

Over the past several years, more than 3 million episodes of care in Italian hospitals have been analyzed by Center staff.

Currently, the Center is working with S. Anna Hospital, a l,000-bed academic medical center, to study resource use and quality of care using administrative data and to educate physicians about how this information may be used. A possible follow-up to this project is an analysis of the patient mix in the five academic medical centers in the Emilia-Romagna Region of Italy and the development of approaches to revising the financing system to account for the case mix at teaching hospitals.

Researchers and clinicians on the project team include Daniel Z. Louis, MS, principal investigator; Joseph S. Gonnella, MD; Christine Laine, MD, MPH; Elaine Yuen, MBA; Carol Rabinowitz; Daniel L. Abse, MA; and Jonathan Seltzer, MD, MBA.

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