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TARPSY – the tariff structure for inpatient psychiatry

Basic information for health professionals:

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A brief explanation of TARPSY

TARPSY is a tariff system used to regulate the remuneration of all services in the field of inpatient psychiatry uniformly throughout Switzerland on the basis of flat rates.

Tariff structure as part of the tariff system

The **tariff system** comprises the TARPSY tariff structure, including framework conditions and the negotiation of tariffs between service providers and social insurers. The tariff structure consists of the definition manual and the associated **grouper software, the PCG catalogue and the catalogue of Additional payments**. In addition, supplementary framework conditions for application are laid down in various documents.

Grouping

Within the scope of the application of TARPSY, each inpatient stay in a psychiatric clinic or department is assigned to a **case group (psychiatric cost group – PCG)** on the basis of certain criteria, such as main diagnosis, secondary diagnoses, treatments and age using the grouper and then assigned a daily cost weight.

Remuneration

The effective cost weight is obtained by multiplying the **daily cost weight by the length of stay**. The remuneration amount is then determined by multiplying the effective cost weight with a base rate applicable to the hospital, which is set during the tariff negotiations.

Introduction of TARPSY

TARPSY was rolled out across Switzerland on **1 January 2018**, with all tariffs becoming effective as of that date. For child and youth psychiatry, its application has been mandatory since 1 January 2019.

“With TARPSY, we have a uniform national tariff structure for inpatient psychiatry, which is based on current cost and service data and designed as an adaptive system. This means that, in the coming years, further differentiations will be mandatory. TARPSY therefore provides a foundation for fair remuneration, transparency and comparability among service providers with comparable service offers and framework conditions”.



Markus Merz, CEO Psychiatric University Hospital Zurich

Grouper
PCG catalogue
Daily cost weight
Length of stay
Additional payment

TARPSY at a glance

From the mandate in the Federal Health Insurance Act to approval by the Federal Council – the development of the TARPSY tariff structure at a glance:

The mandate

SwissDRG AG is responsible for the preparation and further development of inpatient tariff structures, as well as their adaptation and maintenance. The legal basis for this lies in the Federal Health Insurance Act (*Krankenversicherungsgesetz, KVG*)



The data collection

The TARPSY tariff structure is based on cost and service data from psychiatric institutions across the whole of Switzerland.



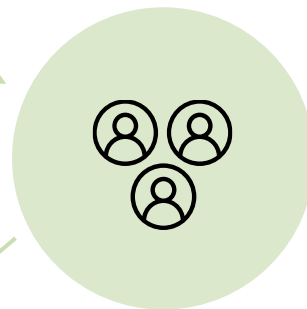
The calculation

Based on the revised medical logic, the remuneration structure is calculated on the basis of a defined methodology, followed by the catalogue.



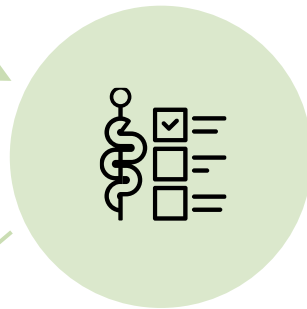
The approval

Each new version of TARPSY is subject to a two-stage approval process. The Federal Health Insurance Act specifies that the Federal Council must also approve each new tariff in addition to SwissDRG AG's partners.



The partner

SwissDRG AG is a joint institution shared by the service providers, insurers and cantons.



The medical logic

The medical logic, i.e. the grouper, is further developed on the basis of the adjusted data.



The product

The catalogue, the definition manual and the grouper together form the TARPSY tariff structure. The use of the regulations as a framework ensures the smooth application of TARPSY.

TARPSY – objectives

The introduction of the TARPSY tariff system has created a Switzerland-wide remuneration system for inpatient psychiatry.

The aim of the TARPSY tariff structure as part of the overall tariff system is to create clear framework conditions that increase the transparency and comparability of services, costs and quality, and to promote the patient-oriented use of resources. The following objectives can be defined in detail:

- TARPSY is a tariff system that regulates the remuneration of inpatient psychiatry services throughout Switzerland in a uniform manner and in accordance with the provisions of the Federal Health Insurance Act.
- TARPSY allows for improved cost and service transparency and forms the basis for operational comparisons and competition.
- The tariff structure is designed as an adaptive system, which undergoes continuous development on the basis of the data collected.
- The application of service-related daily flat rates allows the TARPSY tariff structure to take account of the complexity and peculiarities of inpatient psychiatric care in Switzerland.
- As a tariff structure, TARPSY sets incentives for treatment that is medically and economically reasonable. The underlying tension between medical and economic interests is neither worsened nor resolved by the tariff structure.
- TARPSY is service-based and leaves room for clinic-specific treatment concepts.

uniform
transparent
adaptive system
service-related
economic
medical

“TARPSY provides increased transparency for costs and services in inpatient psychiatry. This is also in the interest of the patients”.



Pierre Alain Schnegg,
Berne Cantonal Councillor and Chair of the Board of Directors
of SwissDRG AG

Partner organisations

SwissDRG AG is a joint institution shared by the service providers, insurers and cantons in the Swiss healthcare system. It is responsible for the introduction, further development and maintenance of the inpatient tariff structures.

SwissDRG AG is responsible for the preparation and further development of inpatient tariff structures, as well as their adaptation and maintenance.

It implements the legislative mandate passed by the Parliament in December 2007. This charitable public company was founded on 18 January 2008 and is a joint **institution shared by the service providers, insurers and cantons.**

By integrating the key stakeholders, account can be taken of the **different requirements and needs** that the tariff structures need to meet. SwissDRG AG and its partner organisations work together to ensure that the further development of nationally applicable inpatient tariff structures is to the benefit of patients, premium payers and taxpayers.

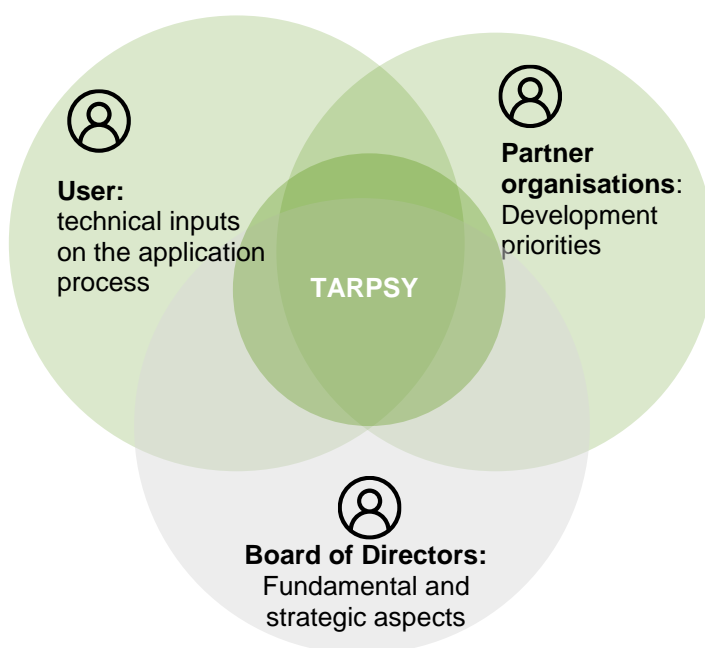
Tariff negotiations between service providers and social insurers do not fall within the remit of SwissDRG AG.

SwissDRG AG is sponsored by the following organisations:

- Swiss Conference of the Cantonal Ministers of Public Health (GDK)
- H+ Swiss Hospitals
- santésuisse Swiss Health Insurers
- Swiss Medical Association (FMH)
- Medical Tariff Commission UVG, MV/IV (MTK)

Shared strategy

The integration of partner organisations and other stakeholders at different levels leads to the application-oriented and targeted further development of TARPSY.



Concept and steps towards further development

Since its introduction in 2018, TARPSY has been undergoing continuous development. In doing so, SwissDRG AG orients itself to the “Product Development Guidelines”, which set out aspects such as the principles of the tariff structure and its development.

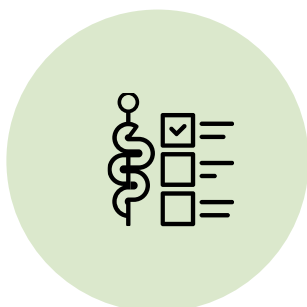
A new version, usually released annually and on the basis of up-to-date data and a refined grouping logic, takes account of new findings and developments in the practice of the institutions.



Data collection

SwissDRG AG gathers data from hospitals in order to maintain, further develop and adapt the TARPSY tariff structure in accordance with its legal mandate.

The development of a new version of TARPSY begins with the **supply of data**. In this step, hospitals and clinics supply their service and cost data to SwissDRG AG in an anonymised and standardised form. These data are then checked for plausibility and adjusted by SwissDRG AG. Implausible cases are not used for the further development of the tariff structure.



System development

The medical logic, i.e. the grouper, is further developed on the basis of the adjusted data.

This allows new findings to be taken into account and the existing medical logic to be refined and adjusted. During this process, so-called **split criteria**, which function as **cost separators**, are redefined, adjusted or removed. Cases with similar cost structures are therefore grouped together in a PCG. Examples input by partner organisations, which are able to submit proposals for the further development of the tariff structure by means of an application procedure before the start of the development phase, serve as a basis for further development. These are taken into account by SwissDRG AG when developing new versions.



Calculation

Based on the revised grouping logic, the remuneration structure is calculated on the basis of a defined methodology, followed by the catalogue.

A remuneration structure is calculated for each PCG, based on the length of stay of a case in the respective group. This remuneration structure assigns a **daily cost weighting** to each length of stay.

Here, too, the wishes of the partner organisations are taken into account. In addition, it is essential that the calculation methodology allows for an adequate incentive structure within the tariff system, thereby achieving appropriate remuneration. It is important, in this regard, that the correct statistical key figures and suitable measures are chosen and subsequently optimised.



Results and approval

Each new tariff version is subject to a consultation process and a two-stage approval process.

Further developments are presented to SwissDRG AG's partner organisations, together with a qualitative assessment of the further developments, during the **system presentations**, where comprehensive documentation is also provided.

Following acceptance of the new version of the tariff by SwissDRG AG's partners, it is submitted to the Federal Council for approval.

Application of TARPSY

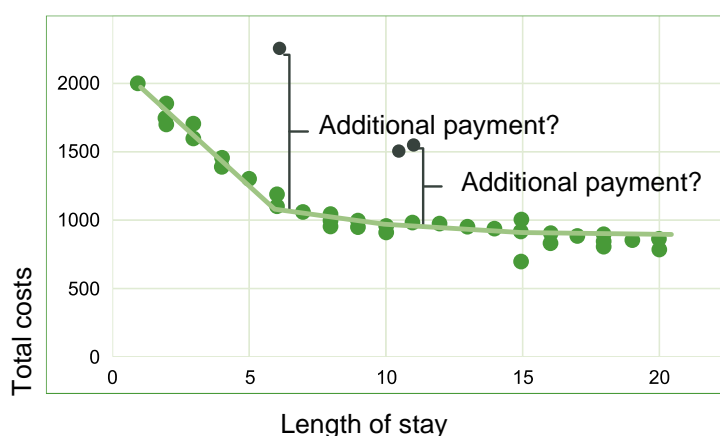
At the heart of TARPSY lies the grouping logic, which assigns a group (PCG) to each inpatient psychiatric case. This PCG determines the remuneration of the costs incurred for the case.

In this regard, a distinction must be made between a basis PCG (APCG) and PCGs that have actually been assessed. The top-level group, which represents cases that are related in terms of content, is comprised of a basis PCG.

That basis PCG can contain multiple PCGs that differ in terms of their cost structure or use of resources. Elements such as diagnoses, services performed and the age of the patient function as **split criteria**.

The assigned PCG can be used to determine the correct **daily cost weight**. The effective cost weight of the case (**TARPSY flat rate**) can be determined by multiplying the daily cost weight by the length of stay. Finally, the remuneration for each case is determined, along with the base rate negotiated by the service provider and the payer.

In addition to the flat-rate remuneration, it is possible to charge an Additional payment for individual services.



Schematic representation of a PCG including remuneration and possible Additional payments

“TARPSY is based on a robust data-base. The annual data collections and the broad experience of Swiss-DRG AG in the application of tariffs to acute hospital care will allow further improvements to be made to the tariff structure. This allows for the proper compensation of inpatient psychiatric treatments”.



Verena Nold Rebetez,
santésuisse Director

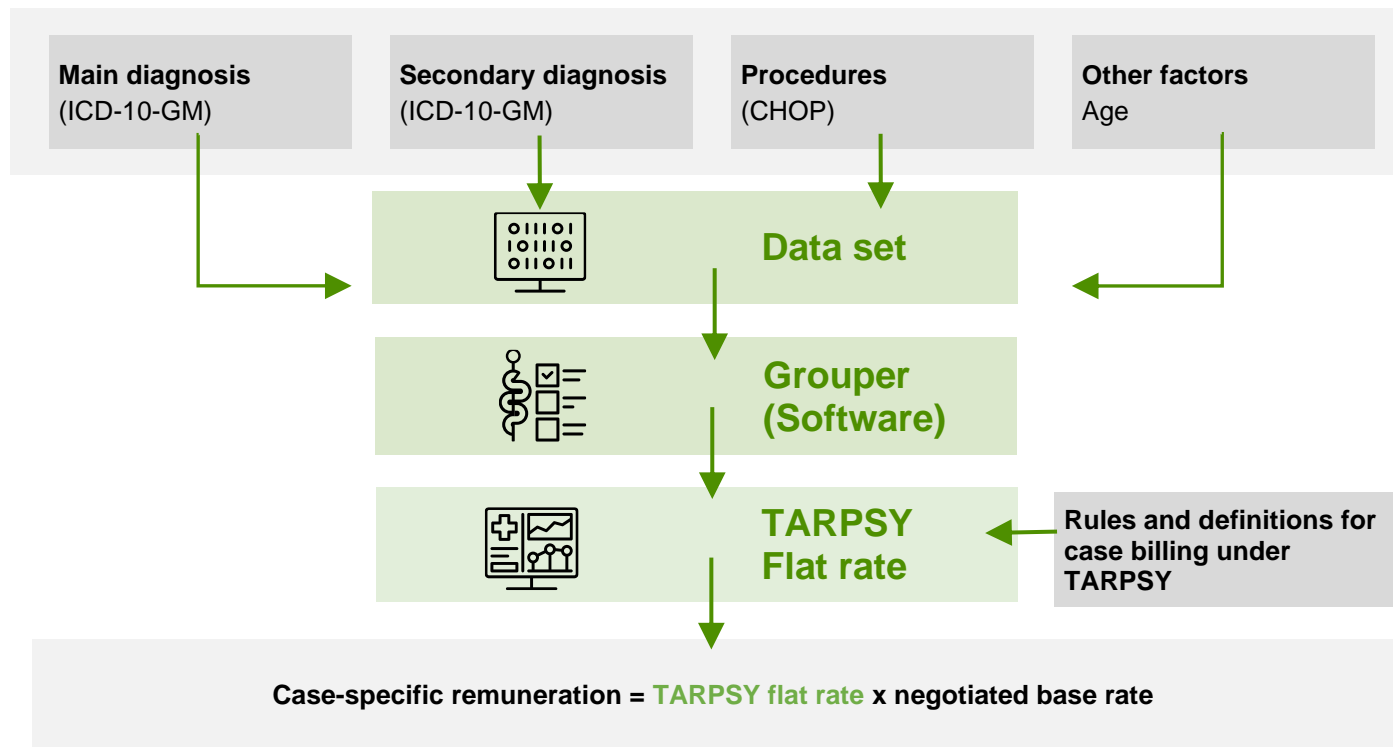
Additional payments

Services and products that cannot be assigned to the regular treatment of patients and are unequally distributed across them can be remunerated by means of Additional payments, provided they meet the corresponding characteristics.

Accordingly, cost-intensive services and products, which, from a statistical point of view, **cannot be (adequately) remunerated via the TARPSY flat rate** without implying corresponding false incentives in the system are particularly well-suited to Additional payments.

Additional payments are not shown as a dimensionless cost weight in the same way as flat rates; instead they are displayed as a **figure in Swiss francs**. The catalogue of Additional payments is structured as a catalogue of individual services and, as part of the TARPSY catalogue, is subject to regular approval processes.

The application of TARPSY



The TARPSY tariff system is supported by supplementary framework conditions, which are developed by SwissDRG AG's partner organisations and the Swiss Federal Statistical Office (FSO).

With a view to enabling the uniform application of the tariff system throughout Switzerland, fundamental aspects are defined in the rules and definitions for case billing under SwissDRG and TARPSY.

The **rules and definitions for case billing** therefore form an integral part of the tariff structure and the tariff system and are defined by SwissDRG AG's partner organisations. These include in particular the scope of application and rules on case settlement. They are supplemented by clarifications and undergo constant further development.

TARPSY makes use of existing FSO **coding instruments**, which are used for the collection of

medical statistics, thereby reducing any additional outlay for service providers. The coding instruments consist of the **diagnosis classification** (ICD catalogue) and a **procedure catalogue** (CHOP catalogue), which are subject to constant further development by the FSO. In addition, the FSO provides **coding guidelines** that allow for uniform coding throughout Switzerland.

In order to ensure robust and high-quality coding, the tariff system is supported by **coding revision guidelines** defined by SwissDRG AG's partner organisations.

Within the tariff system, the tariff partners define hospital specific base rates for billing under TARPSY, which take account of differences in cost that are not reflected by the tariff structure; this falls outside of the remit of SwissDRG AG. The Board of Directors of SwissDRG AG may publish **findings** in connection with the tariff negotiations, with the intention of supporting the proper application of the tariff structure.

Outlook

At present, TARPSY is used as a tariff system for all inpatient psychiatric hospitalisations in Switzerland and is accepted as such throughout the country.

TARPSY is designed as an adaptive system and allows for continuous further development and differentiation. This ensures that the tariff structure follows and integrates medical advances and new treatment concepts.

The further development of TARPSY is based on feedback from users, who are therefore able to directly influence the further development and possibilities for mapping individual treatment types under TARPSY.

Further information

Further information regarding the framework conditions and technical aspects of the TARPSY tariff structure and its development and application can be found on SwissDRG AG's website. Information is provided on the following in particular:

Data collection

Detailed information on data collection and documentation of the data sets and the web interface.

www.swissdrg.org/de/psychiatrie/datenerhebung

Application procedure

The structured application procedure offers users of the tariff structure the opportunity to participate in the development thereof.

www.swissdrg.org/de/psychiatrie/antragsverfahren

Supplementary documents

Information regarding rules for case billing and coding revision as well as key figures for individual versions.

www.swissdrg.org/de/psychiatrie/tarpsy.

Up-to-date information and webinars

Up-to-date information on the tariff structure can be found in our regular TARPSY newsletter, which you can subscribe to online. In addition, key technical aspects of the tariff structure and its development are explained in various webinars.

www.swissdrg.org/de/psychiatrie/tarpsy/informationen

Information from the Board of Directors

The Board of Directors of SwissDRG AG may publish additional findings in connection with the proper application of the tariff structure.

www.swissdrg.org/de/ueber-uns/verwaltungsrat/kommunikation

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Partner organisations

Swiss Conference of the Cantonal Ministers of Public Health (GDK)

www.gdk-cds.ch

H+ Swiss Hospitals

www.hplus.ch

santésuisse Swiss Health Insurers

www.santesuisse.ch

Swiss Medical Association (FMH)

www.fmh.ch

Insurers under the Swiss Federal Law on Accident Insurance, Disability Insurance, Military Insurance (MTK)

www.mtk-ctm.ch