PAYERS AND RISK ADJUSTED RESOURCE ALLOCATION

CASE STUDY

> A benefit with having risk adjustment is that it protects practices that take care of more resource consuming patients than average patient populations.
>
> – Andreas Johansson
> Chairman, Ensolution

CASE STUDY

Sweden became one of the first international adopters of the Johns Hopkins ACG System in the mid-1990s and has expanded its use to cover almost eighty percent of the country's population. Our collaborator in Sweden, Ensolution, has worked with Johns Hopkins to adapt the ACG System to support equitable resource allocation in primary health care.

OVERVIEW

Sweden became one of the first international adopters of the Johns Hopkins ACG System in the mid-1990s and has expanded its use to cover almost eighty percent of the country's population. The Swedish regional county councils have adapted the ACG System to support equitable resource allocation in primary health care by more accurately explaining individual patient costs through an improved risk adjusted allocation model.

CHALLENGES

The flexibility and customization of the ACG System allowed county councils to navigate Sweden's changing political environment. The Swedish Freedom of Choice Act of 2008:

- Granted citizens the right to choose any public or tax-financed private primary health care provider with a per capita reimbursement model.
- Instigated the need for better risk adjusted allocation models, where all 21 regional county councils must establish a system where resources follow the individual patient.

METHODS USED

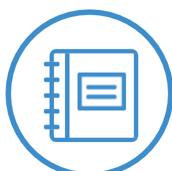
The ACG System is being used in the Swedish Primary Health Care (PHC) financing system to:

- Support the freedom of choice model in managing public and privately-owned primary health care centers.
- Calculate a co-morbidity score for each provider to evaluate on a monthly basis.

RESULTS

With 15 out of 21 county councils using the ACG System, approximately 80% of the Swedish population have individual primary care data inputted into and covered by the system. The use of the ACG System has helped to:

- Decrease discrimination of patients due to health status by identifying patients with higher resource needs and protecting practices that frequently treat these patients.
- Guarantee fair allocation of tax money, while providing a standardized basis of comparison among health care centers.
- Incentivize appropriate matching of health care services and needs.



RECOMMENDATIONS

The health care system in Sweden has taken advantage of the ability to customize the cost weights and predictive models in the ACG System to adapt it to the local context. This customization supports a more equitable reimbursement system for primary care which has traditionally been a per capita model based on age and gender.