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**Organisational and financial impact of the  
new tariff system DRG (Diagnosis-Related-  
Groups) on a specialized department of a  
Swiss Cantonal Hospital**



## Abstract

The Swiss government has decided to implement a new reimbursement system for hospitalized patients in the national health system in 2012. The new system is based on DRG (Diagnosis Related Groups), a medical-economic classification invented in the U.S. The aim is to enhance efficiency by using a transparent and comparable system and to save costs. It is remarkable in view of controversial and critical appraisal of the DRG-system that a discussion based on research results has not been put up in Switzerland. A Swiss hospital has to find its own way with the DRG-system. Especially on the level of the department preparations are mandatory, as available scientific evidence on how to adapt and evolve under DRG is scarce. The aim of this study was to analyze the effects of the DRG-system on organizational processes and finances and to evaluate future business opportunities for a specialized department (Otorhinolaryngology) of the Cantonal Hospital of Aarau, Switzerland. A semi-quantitative approach was chosen as main methodology, based on tools described in the balanced scorecard by Kaplan and Norton (2001) and by Grünig and Kühn (2005). Organizational impact can be summarized by improvements of internal/external cooperation, reducing waste and establish a monitoring system regarding performance and finance. The tools to achieve these goals are available to a limited extent and have to be adapted to Swiss standards. While the DRG-system presents basically a favourable financial condition with an increase in income of 28.5% for the specialized department, the establishment of suitable financial measures and close monitoring is important. Three business opportunities have been identified for the department: excellence in quality, development of niche services and promotion of innovation. They possess the additional benefit of being mutually supportive and complementary, thus increasing their market development potential.