

# Case Mix and Financing Systems

Brant E. Fries, Ph.D.  
*University of Michigan, USA*

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## Case Mix

- Relative measure of cost of caring for an individual person
- Accumulated to any group of persons

## Uses of Case Mix

- Payment
- Comparing facilities
- Management
- Eligibility determination
- Measuring outcomes
- Policy-making

## Basic Approach to CM Payment

Assessment of patient

→ case-mix measure

→ payment determination

Similar issues with payment, financing,  
allocation

## CM Payment: Why Do You Care?

- Programs need resources to provide appropriate care
  - ... and no more than they need
- Access for heavy-care residents
- Assignment of resources to meet person-centered goals

## interRAI Case-Mix Systems

- Nursing homes – RUG-III, RUG-IV
- Home care – RUG-III/HC
- Intellectual Disabilities – RUG-III/ID
- Inpatient Psychiatric Care – SCIPP
- Future: Acute Care

## Case Mix Payment: US Nursing Homes

- RUG-III (RUG-IV to be implemented):
  - Federal Medicare Prospective Payment System
  - Medicaid system in over half US states
- Interesting issues:
  - How do you build in incentives for appropriate care?
    - The strange case of Alzheimers Disease
    - The strange case of Severe Mental Illness
    - “Pay for Performance”

## Case Mix Payment: US Home Care

- RUG-III/HC
  - Louisiana: used in state plan personal care program
  - Arkansas : future use in consumer-directed Money Follows the Person program
- Interesting issues:
  - What level of control?
  - How make patient-centered? What can be covered?
  - What is effect of natural supports/informal care?

## Home Care Case Mix Allocation

- Louisiana using RUG-III/HC to assign hours of care
- Interesting issues:
  - What level of control?
  - How make patient-centered? What can be covered?
  - What is effect of natural supports/informal care?