

General Circular pursuant to the Health Insurance Law (No 11 of 2013) of the Emirate of Dubai

General Circular Number 8 of 2018 (GC 08/2018)

Subject of this General Circular	Clarifications on Collection of DRG Negotiation Factors and Reporting Requirements of DRG Financial Parameters in Phase II of Shadow Billing
Applicability of this General Circular	This Circular applies to all those involved in the health insurance market in the Emirate of Dubai including healthcare providers, insurance companies, health insurance claims management companies and intermediaries
Purpose of this General Circular	To clarify issues related to collection of DRG negotiation factors and reporting requirements of DRG financial parameters in phase II of shadow billing
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Publication date	29/07/2018
This document replaces	Not applicable
This document has been replaced by	Not applicable
Effective date of this General Circular	Immediately upon publication
Grace period for compliance	None

Objectives of this General Circular

- With reference to the recent activities related to a) Collection of DRG Negotiation Factors and b) Reporting Requirements of DRG Financial Parameters in Phase II of Shadow Billing, this circular serves to clarify issues that we have observed and to provide steps in moving forward.

Collection of DRG Negotiation Factors

- The objective of this exercise is to allow providers and payers to practice price negotiations using DRG negotiation factors during DRG Implementation – Phase II of Shadow Billing.
- All DRG payment parameters (base rate, relative weights, negotiations factors, outlier payments and transfer payments) were calculated based on claims data from January 2015 to June 2017 using “paid amounts” under a FFS budget neutrality concept.
- An individualized average negotiation factor was provided to all inpatient providers and insurance companies as a benchmark for negotiations. This average negotiation factor was also calculated based on claims data from January 2015 to June 2017 claims using “paid amounts” under a FFS budget neutrality concept.
- As Individualized average negotiation factors were provided up to the insurance company level, DHA encourages insurance companies and TPAs to work in a cohesive manner where DHA expects final negotiation factors to be submitted by the insurance company.
- Moving forward with full DRG implementation, a revised set of DRG payment parameters will be released later this year. As such, the individualized average negotiation factor to be provided will also be revised.
- The revised set of DRG payment parameters will be calculated based on claims data from June 2015 to December 2017 using “paid amounts” under a FFS budget neutrality concept. We are now considering options with the revised calculations to include the following:
 - Inflation adjustments up to 2017/18 levels
 - Co-payment/Patient Share amounts
 - Add on payments for a selected number of high cost consumables and drugs

Further communication sessions will be conducted once the revised DRG payment parameters are finalized.

- For those providers/payers who have not finalized their negotiations, please submit your final negotiations factors to dataHFD@dha.gov.ae by 20 August 2018.

Reporting Requirements of DRG Financial Parameters

- The objective of this exercise is to allow a) providers to practise reporting complete/accurate DRG codes and payment parameters in claim submissions and b) payers to practise validating the completeness/accuracy of submitted DRG codes and payment parameters without having any impact on the actual FFS adjudication processes during DRG Implementation - Phase II of Shadow Billing.
- For providers, please submit your claims based on the agreed negotiation factors. If you are unable to agree on a negotiation factor, submit your proposed factor. This factor may be rejected by insurance companies/TPAs, however, it will not affect your FFS claim adjudication.
- As DHA expects all negotiation factors to be finalized and submitted by 20 August 2018, the reporting of all DRG payment parameters will be based on agreed negotiation factors from there on.

Other Issues

- Due to data issues, please note that the following providers have been exempted from the “Collection of DRG Negotiation Factors” and “Reporting Requirements of DRG Financial Parameters” in Phase II of Shadow Billing until further notice:
 - Medcare Women and Child Hospital
 - Medeor 24/7 Hospital
 - Al Jalila Children’s Specialty Hospital
 - American Academy of Cosmetic Surgery Hospital
- DHA will continue to monitor and review the above-mentioned activities and processes to ensure the smooth implementation of DRGs in Dubai.
- For any further enquiries, please direct your emails to dataHFD@dha.gov.ae