

Case Mix Methodologies

Discussions of funding reform touch on many different models. Case mix methodologies form one model that provides valuable insights on the health care system by linking the clinical characteristics of patients to the financial expenses associated with their courses of treatment.

Here are some things to know about case mix methodologies.

The Canadian Institute for Health Information (CIHI) has taken a lead role in developing and implementing case mix methodologies.

- These group patients together in statistically and clinically meaningful ways based on clinical and administrative data, together with financial data.
- They assign a measure of cost to each category.
 - > This may be the average cost of an episode within the given case mix group; however it is more common for case mix systems to represent cost using a relative cost weight.
- In cases like this, the average cost of all episodes across all case mix groups is set as the anchor point, and the cost weight for each episode is set relative to that anchor point.

Activity-based funding (ABF) is one of several methods of funding healthcare service organizations based on case mix.

- Each case mix category has a predetermined ABF payment price.
- Funders reimburse healthcare providers for the services that they provide, based on the volume and types of patients treated.
 - > Hospitals are paid more if their patients required more care and less if they required less care.

To effectively plan, monitor and manage the services they provide, healthcare facilities use CIHI's case mix databases such as:

- Discharge Abstract Database (DAD)
- National Ambulatory Care Reporting System (NACRS)
- Continuing Care Reporting System (CCRS)

Learn more about case mix methodologies at cihi.ca/casemix