



Hospital Benchmarking Club: Compare yourself across borders!

Kick-off meeting on July 1 at EHMA Annual Conference in Lahti, Finland.

Benchmarking as a valuable management tool is widely-used in most industries to compare companies among each other with the help of performance indicators with the aim to learn from the best possible production of goods and services. In health care, this is more problematic and less common due to a variety of problems, e.g.: (1) There are many “products” especially in the hospital sector, which therefore require well-defined and agreed definitions across the broad spectrum of activities, e.g. through defining “products” in the form of diagnosis related groups (DRGs). (2) Cost accounting has to be able to accurately measure and allocate costs of “producing” particular services for particular patients, which is not only problematic due to the high relevance of overheads. (3) Both the definition of the “products” as well as the costs need to adjust for important factors beyond the control of the hospitals regarding patient-mix, technologies used and structural factors beyond the control of hospital managers.

While these issues are addressed within countries – and therefore allow a reasonably valid benchmarking on national levels –, a valid comparison of hospitals on a European level – let alone a true benchmarking – is until now not possible to the diversity in coding and classification systems as well as cost accounting methodologies and systems across European countries. On the other hand, hospitals interested in assessing their performance often do not find appropriate comparators within their own countries (e.g. because they are the only one specialized for a certain service). Also, increasing patient mobility between European countries means that patients and health care payers are getting interested in transparent comparative figures on costs, quality and efficiency of hospitals beyond their national territory.

As part of the EU-funded EuroDRG project, EHMA will therefore establish a *European Hospital Benchmarking Club (EHBC)* to increase the exchange about exploring, and possibly implementing a benchmarking system across European hospitals. The aims of the EHBC are:

- to explore meaningful and feasible ways of implementing a benchmarking system between hospitals on a European level,
- introducing the application of a common benchmarking system that adjusts for differences in costs taking patient variables, technology use and structural variables into account in order to allow fair comparisons of costs, quality and efficiency,
- creating an experience exchange forum for European hospital managers.

Hospital managers interested in participating in this benchmarking club are welcome to the EHBC kick-off meeting on July 1 during the 2010 EHMA conference in Lahti/ Finland. The hospitals will be

guided to explore the application of a common benchmarking system taking into account patient, technology and other structural variables. If participating managers agree that a Benchmarking Club is both worthwhile and feasible, the results of the exploration will then – after the EHMA conference – be interrogated to reveal their usability for benchmarking purposes. This exercise should initially focus on two or three “episodes of care” which are analysed across countries in the EuroDRG project (e.g. AMI, hip implantation and/or breast cancer/ mastectomy). If the Club comes to the conclusion that this is successful it would open the potential for efficiency comparisons between the hospitals in the club and the implementation of a common benchmarking system between the hospitals in the club.

The Benchmarking Club is especially interesting for hospitals which cannot compare themselves to other hospitals in their own county (e.g. university hospitals in small countries), hospital chains operating hospitals in different European countries, and hospitals interested in attracting patients from other European countries.