

<b>Sponsoring Organisation:</b>	<b>Implementation Date:</b>	<b>April 2009</b>
<b>Department of Health</b>	<b>Subject:</b>	<b>Healthcare Resource Groups 4 (HRG4)</b>
<b>DATA SET CHANGE NOTICE</b>		
<p>This DSCN informs users of the approval of changes to an information requirement or information standard by the Information Standards Board for Health and Social Care (ISB HaSC).</p> <p>This was approved by ISB HaSC at its meeting on 23<sup>rd</sup> July 2008.</p>		
<b>Summary:</b>		
<p>Since 2003, version 3.5 Healthcare Resource Groups (HRGs) has been used to categorise clinically similar groups of patients requiring similar resource use. Through the passage of time, some of these HRGs have become less representative of current clinical practice and activity. In recognition of this, the NHS Information Centre for health and social care (NHS IC) was commissioned by the Department of Health (DH) to develop a new version of HRGs, version 4 (HRG4).</p> <p>The HRG4 design represents a major development from, and improvement on, HRG v3.5. It contains many elements that support the direction of Health Reform policy. HRG4 has been used in the 2007/08 reference cost collection exercise and is to be used for national reimbursement under DH Payment by Results (PbR) through the Secondary Uses Service (SUS) from 01/04/2009.</p> <p>HRG4 has been developed to:</p> <ul style="list-style-type: none"><li>• Reflect changes in clinical practice and costs;</li><li>• Increase coverage by introducing HRGs to new clinical areas;</li><li>• Introduce the concept of 'setting independence';</li><li>• Increase the statistical performance of HRGs by introducing elements such as unbundling and improved complication and comorbidity splits;</li><li>• Incorporate the improved identification and classification of procedures using updated OPCS4 codes;</li><li>• Enable more accurate analysis of healthcare needs delivered by the service.</li></ul>		
<b>Datasets / return affected:</b>		
N/A		
<b>Related DSCNs:</b>		
11/2007 – HRG4 10/2007 – OPCS Classification of Interventions and Procedures Version 4.4		
<b>Impact of Change:</b>		
<b>Service:</b>	Not Applicable	<b>System Suppliers:</b> Not Applicable
<p>The Information Standards Board for Health and Social Care (ISB HaSC) is responsible for approving information standards. Submission documents and the ISB HaSC Board output relating to the approval of this standard can be found at:</p> <p><a href="http://www.isb.nhs.uk/docs/hrg4">www.isb.nhs.uk/docs/hrg4</a></p>		

## DATA SET CHANGE NOTICE

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<b>Reference No:</b>	DSCN 17/2008
<b>Version No:</b>	1.0
<b>Subject:</b>	Healthcare Resource Groups 4 (HRG4)
<b>Type of Change:</b>	Change to an Information Standard
<b>Implementation Date:</b>	April 2009
<b>Business Justification:</b>	Since 2003, version 3.5 HRGs has been used to categorise clinically similar groups of patients requiring similar resource use. Through the passage of time, some of these HRGs have become less representative of clinical practice and activity.

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### Introduction

Since 2003, version 3.5 HRGs has been used to categorise similar groups of patients requiring clinically similar resource use. Through the passage of time, some of these HRGs have become less representative of current clinical practice and activity. In recognition of this, the NHS Information Centre for Health and Social Care (NHS IC) was commissioned by the Department of Health to develop a new version of HRGs, version 4 (HRG4).

The HRG4 design represents a major development from, and improvement on, HRG v3.5. It contains many elements that support the direction of Health Reform policy. HRG4 has been used for reference costs since the 2006/07 reference cost collection exercise and is to be used for national reimbursement under DH Payment by Results (PbR) through SUS from 01/04/2009.

HRG4 as stated is a major development on HRG v3.5. HRG v3.5 contained approximately 600 HRGs whereas HRG4 contains approximately 1,390.

The full list of narratives can be found in the Code to Group table and can be found at:

<http://www.ic.nhs.uk/our-services/standards-and-classifications/casemix/hrq4/prepare-for-hrq4>

This link also presents a full introduction to HRG4 as well as discussion of the design concepts, illustration of inherent logic, a comprehensive code to group table and further details regarding the HRG4 Reference Costs Grouper.

The approval and introduction of HRG4 has been deemed not to have any impact in itself as any impact is as a result of its use in the Payment by Results processes, including reference costing and reimbursement. Any information standards implied by the derivation of reference costs and for reimbursement have not been assured by ISB HaSC.

### Background

In their most basic form HRGs are groups of ICD-10 diagnoses and OPCS4 procedures that have similar resource implications. There have been four major versions of English Healthcare Resource Groups (HRGs) released since 1992, the previous being v3.5 released in October 2003.

PbR is an integral part of Health Reform. The DH and the NHS have identified the need to strengthen the building blocks, on which the PbR tariff is built. The building blocks include diagnosis, procedure and casemix classifications, and the costing methodologies.

The DH commissioned the NHSIA and, subsequently, The NHS Information Centre to undertake the enhancement of HRGs.

It was recognised that HRGs version 3.5 were an interim measure for funding pending HRG4 development.

Accordingly, HRG4 is being introduced as a complete revision extending both depth and breadth of HRG coverage.

## Details of Change

The key areas of change in HRG4 are:

- Increased coverage – to a wider group of clinical professions and services
- Revised code structure – the code length has been increased from three characters to five to allow more information to be conveyed and support more detailed analysis
- Cross chapter procedure hierarchies – the list used from HRG 3.5 has been extensively updated
- Cross chapter primary diagnosis hierarchies – have been introduced
- Multiple trauma HRGs – a new mechanism has been defined to identify high resource, complex treatments associated with multiple trauma cases
- Complications and comorbidities – the complication and comorbidity splits have been improved and each chapter now has its own complication and comorbidity list
- Unbundling – an episode or spell can now be assigned multiple HRGs
- Setting independence – the same HRG may be applied regardless of care setting
- Spell based HRGs – that will cover the whole stay from admission to discharge

The HRGs are derived from readily available data sources and information that is routinely collected locally. This ensures that the classification is cost effective and does not place a disproportionate burden on users.

The principal data sources from which HRG4 groupings are derived are:

- Admitted Patient Care Commissioning Data Set (CDS)
- Outpatient Attendance CDS
- Accident and Emergency CDS (for Emergency Medicine HRGs)
- Adult Critical Care MDS
- Paediatric Critical Care MDS
- Neonatal Critical Care MDS

A small number of HRGs required new procedure codes to be implemented as part of the OPCS 4.4 enhancement before they could become fully operational. OPCS 4.4 was mandated for collection and transmission by the NHS from 1 April 2007 (DSCN 10/2007).

There is no national requirement to flow HRG4 through the CDS.

Further information on OPCS4 can be found at

<http://www.connectingforhealth.nhs.uk/interventionclassification>.

ICD-10 (World Health Organisations International Classification of Diseases version 10) is also used to define a large number of HRGs.

Further information on ICD-10 can be found at: <http://www.who.int/classifications/icd/en/>

The design phase of HRG4 included a number of guidelines to ensure that quality parameters were stipulated and measured throughout the process. In addition, clinical endorsement of each of the chapters and sub-chapters serves to assure users of the appropriateness of design. The 2006/07 reference cost analysis, published by DH on 01/02/2008 supports HRG4 fitness for purpose. This analysis can be found at:

The implementation dates for HRG4 within the reference costing and payment as they currently stand are as below

HRG & OPCS4 version <sup>1</sup> to be used for	2007/2008	2008/2009	2009/2010
Reference Costs	HRG4 (OPCS4.4)	HRG4 (OPCS4.4)	HRG4 (OPCS4.5)
Reimbursement via National Tariff	HRG v3.5 (OPCS4.2)	HRG v3.5 (OPCS4.2)	HRG4 (OPCS4.4)

Once a baseline is set for HRG4, any future releases will follow a strict configuration management system as with HRG v3.5. These discussions are currently taking place.

Further information on Payment by Results can be found at

<http://www.dh.gov.uk/en/Policyandguidance/Organisationpolicy/Financeandplanning/NHSFinancialReforms/index.htm>

### **Timescales for Implementation / Change**

FRAMEWORK		Health and Social Care Personnel	Organisation <sup>1</sup>	IT Suppliers <sup>2</sup>
Effective Date <sup>3</sup> "may use"		2007/2008 Reference Costing Immediate for comparative analysis		
Implementation Date <sup>4</sup> "must use"	Collection Start Date <sup>5</sup>	Not Applicable		
	First Submission Date <sup>6</sup>			
	Reporting Period / Submission Cycle <sup>7</sup>			
Conformance Date <sup>8</sup> "must be used effectively and assessed for use"		2007/2008 Reference Costing 01/04/2009 for Payment		
Superseded Date (of prior standard) <sup>9</sup> "stop using prior standard"		2007/2008 Reference Costing 01/04/2009 for Payment		

HRGv3.5 has already been superseded by HRG4 for the purpose of reference cost collections and will be superseded by HRG4 for reimbursement from 01/04/2009.

### **Effects on Other Information Standards**

From 31st March 2009 The NHS Information Centre will bring to a close extended support for HRG v3.5. The NHS Information Centre will retire changes to HRG v3.5 beyond this date.

<sup>1</sup> The OPCS4 version numbers are dependant on the results of the OPCS4 annual review.

Existing support documents and content will continue to be available through the Casemix website.

<http://www.ic.nhs.uk/our-services/standards-and-classifications/casemix>

## Sponsor Details

The sponsor for this Standards Submission is:

Martin Campbell, Deputy Director of NHS Finance, Department of Health

## Further Information and Support

For further information and support around this DSCN please contact:-

Helpdesk  
The Information Centre for health and social care  
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NHSnet: [www.icservices.nhs.uk](http://www.icservices.nhs.uk)

**Notes on timelines:**

1. Relevant organisations are those organisations as defined in the standard who must take direct action to implement the standard
2. IT Suppliers are all suppliers to the organisations listed at <sup>1</sup> who supply functionality pertinent to that standard
3. **Effective Date** is the date from which a new standard can be used but may not be mandatory. This might facilitate piloting, for example, or enable time for system functionality development. At this point, **you “may use” the standard.**
4. **Implementation Date** is the point from which the new standard becomes mandatory. Ideally, it inherently implies organisations use appropriate systems i.e. the date is the same for organisations and suppliers. However, there may be circumstances where interim workarounds are required i.e. the date is different for organisations and suppliers. At this date, **you “must use” the standard.** Where the standard demands data is submitted centrally, sub components of implementation date (and possibly ‘effective date’) are:
  5. **Collection Start Date** – this is the date collection of data must begin
  6. **First Submission Date** – this is the date of first submission of data centrally
  7. **Reporting Period / Submission Cycle** – If the standard calls for further collection and submission at defined intervals, this cell provides text of the reporting period (e.g. calendar month, financial year) and the submission cycle (e.g. submit data monthly on the 10<sup>th</sup> working day of the subsequent month).
8. **Conformance Date** is the date from which the service and IT system suppliers must use the standard as envisaged i.e. using appropriate IT solutions rather than interim workarounds and, if the standard requires it, an independent, authoritative body or legitimate internal audit would conduct a conformity assessment with the expectation of full conformance by all relevant parties. It is the **“must use standard effectively and assessed for use”** date
9. **Superseded Date** of the prior standard sets the date at which the prior standard is replaced by the new standard i.e. the prior standard must no longer be used. This date will apply only where there was a pre-existing standard made redundant by the new standard. It might be different from preceding dates in the framework if, for example, a new and old standard run in parallel for a period. It is the date from which you **“stop using the prior standard”**.