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Cancer DRGs: Winners and Losers

HOT OFF THE PRESSES

The eighth edition of ACCC's *Cancer DRGs: A Comparative Report on Key Cancer DRGs* is now available. The 94-page monograph presents cancer-specific information on the costs, charges, and reimbursements associated with the 66 DRGs that compose 50 to 70 percent of all cancer patient discharges.

The 1994 report reveals that the most profitable DRG per discharge was DRG 276 (nonmalignant breast disorders), which showed a mean profit of $437 per discharge. Other profitable DRGs include DRG 273 ($411 per discharge), DRG 411 ($176 per discharge), and DRG 165 ($118 per discharge).

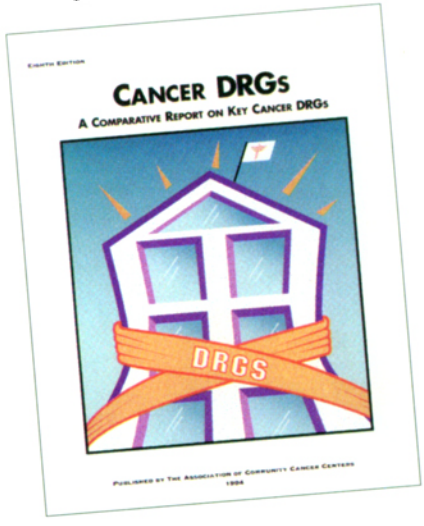
Mean losses per discharge by DRG ranged from $-14 (DRG 274, malignant breast disorders, age greater or equal to 70) to $-2,368 (DRG 357, uterus and adnexa procedures for malignancy).

Each year, *Cancer DRGs* provides a comparative analysis between data reported for this year's edition and data reported in the prior edition for those hospitals that responded to both surveys. A total of 61 hospitals reporting complete data in both surveys are included in this analysis.

In the current survey, the mean loss (total mean costs minus mean reimbursements) decreased significantly, from $-395,651 in 1993 to $-366,935 in 1994. Of the 61 hospitals in the comparative group, 15 (24.6 percent) showed institutional profits in this survey, while in the previous survey only 10 hospitals (16.4 percent) showed an institutional profit. Five of the ten hospitals that had shown a profit in 1993 continued to show profits in 1994.

The comparative group of hospitals showed a mean per discharge loss of $-862 per DRG in the current survey compared to a mean per discharge loss of $-886 per DRG in the prior survey, representing less than a 3 percent decrease in per discharge loss. A similar trend is evident when profit/loss is calculated for all DRGs. The average loss per discharge dropped from $770 in 1993 to $747 in 1994.

A growing cost-consciousness among



hospital administrators and staff is underscored by the tremendous increase in the number of hospitals participating in this year's survey—a 37 percent increase.

ACCC member institutions have already been mailed their copy of the 1994 *Cancer DRGs*. Additional copies are available for purchase at $250 per copy for nonmembers/$225 for members, which includes postage and handling.

CRG UPDATE

Last month executive staff of the Association of Community Cancer Centers' Collaborative Research Group (CRG) completed development of a revised and much simplified version of standard master agreements for group members and sponsors. The new agreements, which incorporate both administration and participation components into one, will minimize the amount of time sponsors and members spend in legal review prior to activating protocols.

CRG executive staff are steadily increasing efforts to introduce pharmaceutical and biotechnology companies to the group's capabilities and experience. In addition, meetings are underway with the Oncology Nursing Society to determine the feasibility of a CRG affiliation on various research projects.

Currently, the CRG is participating in six industry-sponsored protocols, and negotiations with several other sponsors are underway. Fifty-six ACCC member institutions participate in the CRG. Members include twenty NCI-funded Cooperative Group Outreach Programs (CGOPs), eighteen NCI-funded Community Clinical Oncology Programs, and one NCI-designated Comprehensive Cancer Center.

The CRG offers members a simplified mechanism for participation in industry-sponsored trials of interest. The group gives sponsors a truly unique, highly competitive, community-based alternative to conducting IND/NDA clinical trials. The CRG has been especially sought after by companies for projects that need to be conducted on a strict budget or are not of the scope to justify using a clinical research organization.

In some cases companies contact the CRG when augmenting accrual on projects that have been activated but are not meeting project deadlines. On projects where a limited number of sites are needed, the CRG offers site selection, study start-up speed, and administrative simplification that cannot be matched when contracting with clinical sites independently.

For more information on the CRG, please call Eautha Harrigan, ACCC Executive Office, 301-984-9496.