

General Circular pursuant to the Health Insurance Law (No 11 of 2013) of the Emirate of Dubai
General Circular Number 2 of 2018 (GC 02/2018)

Subject of this General Circular	Collection of DRG Negotiation Factors
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 collect DRG negotiation factors from providers and payers during DRG Implementation – Phase II of Shadow Billing
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Publication date	04/04/2018
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This document has been replaced by	Not applicable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

- During the recent workshop and one-on-one meetings conducted in January and February 2018, private hospitals and insurance companies were provided with an individualized average negotiation factor calculated based on budget neutrality (i.e. the total payments received / reimburse under the DRG system is the same as under fee-for-service from January 2015 to June 2017 claims data). As discussed, providers and payers were encouraged to begin practicing price negotiations using DRG negotiation factors during DRG Implementation – Phase II of Shadow Billing. As part of our work to continually monitor and improve the DRG payment model, **you are requested to submit your negotiation factors with your payers / providers to dataHFD@dha.gov.ae by 26 June 2018.**

For hospitals, as an example, please submit your information in the following format in Excel:

Payer Code	Payer Name	Number of Members	Average Negotiation Factor*
1234	XXX	2000	1.55
5678	YYY	1000	1.71

For insurance companies, as an example, please submit your information in the following format in Excel:

Provider Code	Provider Name	Number of Members	Average Negotiation Factor*
0001	AAA	1600	1.24
0080	BBB	500	1.15

*** Please note that the average negotiation factor is the average rate for all the insurance “policies” between a specific provider and a specific payer. The average negotiation factor for a specific payer / provider should reflect the current state of negotiations under FFS payment model.**

- Insurance companies who manages negotiations via health insurance claims management companies and intermediaries (TPAs), please contact your respective TPAs for information related to negotiation factors.
- TPAs who manages negotiations on behalf of health insurance companies, please provide information related to negotiation factors to your respective insurance companies.

- DHA expects the overall negotiate factor for all providers and payers to be very similar to the individualized average negotiation factor that we have provided in your DRG Performance Report.
- For any further enquiries, please direct your emails to dataHFD@dha.gov.ae