Finally, the current analysis based only on the reference system for reimbursement; we did not consider the pricing law. The maximum price in The Netherlands is constrained by this law, which means that the maximum price depends on the average price of a drug in the neighboring countries of The Netherlands: Germany, Belgium, United Kingdom, and France. Hence the price for AD resulting from the AHP analysis may be adjusted downwards when the price law is taken into consideration.

The conclusion is that the AHP concept may be applied to the pricing and reimbursement environment, and that it may be used for an assessment of the pricing potential of a new drug. Further research is required to explore in more detail the methodological considerations which we address.

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Conflict of interest: No information supplied.

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Erratum

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The risk-adjusted vision beyond casemix (DRG) funding in Australia International lessons in high complexity and capitation

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Unfortunately there were errors in the footnotes and in table 3. The correct versions are shown below.
The correct equation in the footnote is:
1. Consideration of the relative financial disadvantage of The Alfred vis a vis other teaching hospitals and the size of any other Risk Adjusted Specified Grants for other teaching hospitals can be further explored using the following formulae in the case of the COPD DRG, where severity markers are included in the equation, along with teaching hospital dummy variables for each teaching hospital and all other variables. This specification can be used to explain why certain hospitals are more expensive than others, and to understand whether some factors systematically vary, or are the same, across all hospitals.

$$
\begin{aligned}
Y = {} & \beta_0+\beta_{11}*D_1BR+\beta_{12}*D_1LPA \\
& +\beta_{13}*D_1HLT+\beta_{14}*D_1LT+\beta_{15}*D_1BIPAP+\beta_{16}*D_1LVF+\beta_{17}*D_1AGE \\
& +ß_{18}*D_1SEX+ß_{19}*D_1PROC \\
& +ß_{110}*D_1DIAG+ß_{111}*D_1DISEASE\ TYPES+\beta_{112}*D_1COMPLEX \\
& +\beta_{113}*D_1OUTLIER+\beta_{114}*D_1EMERG \\
& +\beta_{21}*D_2BR+\beta_{22}*D_2LPA+\beta_{23}*D_2HLT \\
& +\beta_{24}*D_2LT+\beta_{25}*D_2BIPAP \\
& +\beta_{26}*D_2LVF+\beta_{27}*D_2AGE+\beta_{28}*D_2SEX \\
& +ß_{29}*D_2PROC+ß_{210}*D_2DIAG \\
& +\beta_{211}*D_2DISEASE\ TYPES \\
& +\beta_{212}*D_2COMPLEX \\
& +\beta_{213}*D_2OUTLIER+\beta_{214}*D_2EMERG \\
& +...\beta_{N1}*D_NBR+\beta_{N2}*D_NLPA \\
& +\beta_{N3}*D_NHLT+\beta_{N4}*D_NLT \\
& +\beta_{N5}*D_NBIPAP+\beta_{N6}*D_NLVF \\
& +\beta_{N7}*D_NAGE+\beta_{N8}*D_NSEX \\
& +\beta_{N9}*D_NPROC+\beta_{N10}*D_NDIAG \\
& +\beta_{N11}*D_NDISEASE\ TYPES \\
& +\beta_{N12}*D_NCOMPLEX \\
& +\beta_{N13}*D_NOUTLIER \\
& +\beta_{N14}*D_NEMERG+E
\end{aligned}
$$

Where:
Y = Per patient costs
b_o = Y intercept
b_{ij} = Array of coefficients, one set for each of i hospitals, for j explanatory variables

D_1BR = Dummy variable bronchiectasis teaching hospital D1 = 1, other = 0
D_1LPA = Dummy variable lung part absence teaching hospital D1 = 1, other = 0
D_1HLT = Dummy variable heart and lung transplantation teaching hospital D1 = 1, other = 0
D_1LT = Dummy variable lung transplantation teaching hospital D1 = 1, other = 0
D_1BIPAP = Dummy variable Bilevel Positive Airway Pressure (BIPAP) teaching hospital D1 = 1, other = 0
D_1LVF = Dummy variable Left Ventricular Failure teaching hospital D1 = 1, other = 0
D_1AGE = Patient age, teaching hospital D1 = 1
D_1SEX = Dummy variable 1 if male, other = 0 (gender of patient) teaching hospital D1
D_1PROC = Number of procedures at teaching hospital D1
D_1DIAG = Number of diagnoses at teaching hospital D1
$D_1DISEASE\ TYPES$ = Number of body systems at teaching hospital D1
$D_1COMPLEX$ = Dummy variable at teaching hospital D1, 1 if patient classified as high complexity case (PCCL) level 4, 0 if 3
$D_1OUTLIER$ = Dummy variable at teaching hospital D1, 1 if patient an outlier on length of stay, otherwise 0
D_1EMERG = Dummy variable at teaching hospital D1, 1 if patient admitted through emergency department, otherwise 0

Table 3 shown on page 10 of the version published online has excluded (by typographical error) the regression findings for DRG E 62A in one row, which should read as follows:
CostPP=6950 (β_0) -70 (Age) +14070 (Outlier) +1440 (Procedures) + E

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