

CORRECTION: As of 5/25/07, Hoboken University Medical Center and University of Medicine and Dentistry of New Jersey Medical Center will not be participating in the Leapfrog Hospital Rewards Program™ this year.

Horizon Blue Cross Blue Shield of New Jersey announced today that they awarded \$6 million to over 60 NJ hospitals for high quality and safe patient outcomes. Leapfrog announces seven additional hospitals who are participating in Horizon's reward program via the Leapfrog Hospital Reward Program.

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**SEVEN MORE NEW JERSEY HOSPITALS COMMIT TO
IMPROVING PATIENT CARE THROUGH
INNOVATIVE REWARD PROGRAM**

(WASHINGTON DC) – Seven additional New Jersey hospitals have joined a leading national program designed to reward and promote better care for patients. Hospitals participating in the Leapfrog Hospital Rewards Program™ (LHRP) commit to provide high quality, safe health care and to improve their performance on critical aspects of patient care.

Last July, Horizon Blue Cross Blue Shield of New Jersey and The Leapfrog Group announced a collaboration to provide New Jersey hospitals financial and public recognition for high-quality and efficient care via Horizon BCBSNJ's Hospital Recognition Program. Within this program, hospitals in the Horizon BCBSNJ network have the option to participate via the Leapfrog Hospital Rewards Program™ or a similar option created by Horizon BCBSNJ.

In 2006, eight New Jersey hospitals participated in the LHRP. Seven additional hospitals (listed below) have selected the LHRP this year, and several more are anticipated to join.

- Hackensack University Medical Center
- Hoboken University Medical Center
- Hunterdon Medical Center
- Morristown Memorial Hospital
- Overlook Hospital
- Robert Wood Johnson University Hospital (Hamilton)
- University of Medicine and Dentistry of New Jersey Medical Center

The Leapfrog Hospital Rewards Program™ is a nationally standardized way to assess the value of patient care by measuring performance along two dimensions – the quality of the care hospitals provide and how efficiently they deliver it. The Leapfrog methodology sets a high bar for hospital performance by using a rigorous test of excellence based on standardized performance measures developed by the Joint Commission, the Centers for Medicare and Medicaid Services (CMS), and The Leapfrog Group. The Horizon BCBSNJ Hospital Recognition Program uses financial and non-financial recognition to acknowledge hospitals that perform exceptionally well and those that demonstrate improvement over time. The program provides hospitals with recognition for excelling in such areas as patient safety, clinical outcomes, patient satisfaction, efficiency and administrative excellence.

Hospitals that have participated in the LHRP since 2006 include:

- Christ Hospital
- Cooper University Hospital
- Deborah Heart & Lung Center

- Englewood Hospital & Medical Center
 - Robert Wood Johnson University Hospital (New Brunswick)
 - Somerset Medical Center *
 - The Valley Hospital
 - University Medical Center at Princeton
- * 2007 participation pending

“The Leapfrog Hospital Rewards Program™ sets a gold standard for hospital performance and focuses improvement efforts on practices that dramatically improve patient care,” said Suzanne Delbanco, chief executive officer of The Leapfrog Group. “By committing to the high standards set by the Leapfrog Hospital Rewards Program™, hospitals demonstrate clearly their dedication to ensuring that their patients receive the best possible care.”

“We are confident that providing consumers with relevant information on high quality and efficient hospital care will promote positive changes in New Jersey’s health care system,” said Christy Bell, Senior Vice President, Healthcare Management, Horizon BCBSNJ.

“The Leapfrog Group’s leadership in tracking hospitals’ adherence to proven quality standards in New Jersey moves us one step closer to a ‘value-based’ health care system where cost and quality can be measured,” said David L. Knowlton, President and CEO, New Jersey Health Care Quality Institute.

Horizon Blue Cross Blue Shield of New Jersey

Horizon Blue Cross Blue Shield of New Jersey, with headquarters in Newark, is New Jersey’s largest health insurer providing coverage to more than 3.3million people. Horizon BCBSNJ’s company Web site is located at www.HorizonBlue.com. Horizon BCBSNJ is an independent licensee of the Blue Cross Blue Shield Association.

The Leapfrog Hospital Rewards Program™

The five clinical areas on which the Leapfrog Hospital Rewards Program™ focuses are: coronary artery bypass graft, percutaneous coronary intervention, acute myocardial infarction, community-acquired pneumonia and deliveries/newborn care. Actuaries at Towers Perrin analyzed hospital quality and payment data to identify these areas. These five areas represent approximately 33% of admissions and 20% of inpatient expenditures for commercial payers and present significant opportunity for improvement. Towers Perrin also performed the actuarial analysis to support the reward structure. The Program uses quality measures that are endorsed by the National Quality Forum and are already being collected through the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO) ORYX initiative and the Leapfrog Hospital Quality and Safety Survey. To measure efficiency of resource use, Leapfrog examines severity-adjusted average length of stay and readmission rates for each of the five clinical areas. The Program is now accepting data from hospitals via Medstat. For more information, visit <https://leapfrog.medstat.com/hrp/index.asp>.

About The Leapfrog Group

On behalf of the millions of Americans for whom many of the nation’s largest corporations and public agencies buy health benefits, The Leapfrog Group aims to use its members’ collective leverage to initiate breakthrough improvements in the safety, quality, and affordability of health care for Americans. It is a voluntary program aimed at mobilizing employer purchasing power to alert America’s health industry that big leaps in health care safety, quality and customer value will be recognized and rewarded. The Leapfrog Group was founded in November 2000 by the Business Roundtable and has support from the Robert Wood Johnson Foundation, as well as its members and other funders. For more information, visit www.leapfroggroup.org.

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