

**“The Leapfrog Group’s leadership continues to be integral to Aetna’s provider quality performance programs and to the customers we serve.**

**We applaud Leapfrog and the hospitals that are committed through Leapfrog to continuous improvement in hospital patient safety.”**

**- Elysa Ferrara,  
Director of National  
Provider Quality Per-  
formance Programs,  
Aetna**

**For more information  
about the Leapfrog  
Hospital Rewards  
Program, visit:  
[www.leapfroggroup.org](http://www.leapfroggroup.org)**

## Hospital Incentive Program Ready for Licensure

The Leapfrog Group is pleased to announce the launch of our new Leapfrog Hospital Rewards Program (LHRP), a premier incentives and rewards program to improve hospital quality, patient safety, and resource utilization.

Purchasers and health plans wishing to rapidly implement a P4P program in their market can license LHRP, which has been vetted by national healthcare experts. The program includes a standardized, pre-determined measure set and scoring methodology using the 2008 Leapfrog Survey as the baseline data to trend forward.

## Program Concepts

LHRP is a hospital performance improvement program that utilizes the publicly reported results from the Leapfrog Hospital Survey to incentivize hospitals to achieve quality and resource utilization performance goals derived from national performance benchmarks.

The LHRP focuses on several key clinical areas and care delivery components in the Leapfrog Hospital Survey for quality and resource utilization measures:

The new LHRP has many valuable features for hospital and health plan participants:

- Off-the-shelf nationally standardized hospital performance program
- Developed by a group of healthcare experts: hospital systems, health plans, employers, business coalitions, government entities, healthcare researchers and academics, and consulting organizations
- Uses a sole data reporting source: the Leapfrog Survey
- Includes a comprehensive measure set to evaluate performance
- Incorporates quality and resource utilization components
- Utilizes Leapfrog’s own national data set of 1200 hospitals’ performance
- Recognizes performance efforts through Attainment and Improvement categories
- Provides flexibility for purchasers to customize program aspects: eligibility requirements and performance rewards

1. **Quality** indicators show the extent to which hospital care conforms to evidence-based guidelines and achieves the desired outcomes.
2. **Resource Utilization** indicators show the hospital’s average length of stay, adjusted for risk and readmission rate, for selected clinical areas and procedures.

**Efficiency** is denoted by a hospital’s Quality score and Resource Utilization score. The efficiency score represents the intersection of Quality and Resource Utilization and is used to determine a hospital’s reward level.



*“We are very grateful to the health plans, hospitals, academics, as well as CMS and AHRQ experts who helped craft our incentive program.”*

*- Leah Binder, CEO, The Leapfrog Group, and former health system administrator*

## LHRP Data Source

The Leapfrog Hospital Survey is now condensed for easier hospital reporting and data collection for the Leapfrog Hospital Rewards Program. The evidence-based measures in the Survey are harmonized with NQF, the Joint Commission, and IHI metrics.

The Leapfrog Hospital Survey not only includes additional clinical conditions to provide a broader scope of hospital performance, but it also includes both quality and resource utilization measures for certain areas. It is important to collect and understand hospitals’ use of resources, especially related to quality performance, and identify processes and tactics to enhance performance.

As the sole reporting source, the Leapfrog Hospital Survey also provides immediate baseline and historic data for participating hospitals. For more information about the Leapfrog Hospital Survey, visit [www.leapfroggroup.org](http://www.leapfroggroup.org).

## Quality Performance Score

The Leapfrog Survey measures a hospital’s Quality performance with a series of measures for inpatient clinical areas, and this performance is translated into an overall Quality score for LHRP. The Quality score represents 65% of a hospital’s overall Efficiency score.

The chart at right lists the categories and areas included in a hospital’s Quality score.

|                                                                                                                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Common Acute Conditions (CAC):</b><br>AMI and Pneumonia                                                                                            |
| <b>Evidence-Based Hospital Referrals (EBHR):</b><br>CABG, PCI, AVR, AAA, Pancreatectomy, Esophagectomy, Bariatric surgery, High-risk newborn delivery |
| <b>Hospital-Acquired Conditions (HAC):</b><br>Pressure ulcers and Injuries occurring during hospital stay                                             |
| <b>Computer Physician Order Entry (CPOE)</b>                                                                                                          |
| <b>ICU Physician Staffing (IPS)</b>                                                                                                                   |
| <b>Safe Practices</b>                                                                                                                                 |
| <b>Never Events Policy</b>                                                                                                                            |

## Resource Use Performance Score

The 2009 Leapfrog Hospital Survey also measures a hospital’s Resource Utilization for select areas. There are 6 clinical areas that include Resource Use—the length of stay adjusted for risk and readmission. Resource Use accounts for 35% of the hospital’s overall Efficiency score.

The chart at right lists the categories and areas included in a hospital’s Resource Use score.

|                                                                                                           |
|-----------------------------------------------------------------------------------------------------------|
| <b>Common Acute Conditions (CAC):</b><br>AMI and Pneumonia                                                |
| <b>Evidence-Based Hospital Referrals (EBHR):</b><br>CABG and PCI                                          |
| <b>Hospital-Acquired Conditions (HAC):</b><br>Pressure ulcers and Injuries occurring during hospital stay |

# Overall Efficiency Score

A hospital’s Quality and Resource Use scores contribute to the overall Efficiency score. The Efficiency score is used to determine whether a hospital is placed into the Attainment category or Improvement category.

The **Attainment category** is reserved for hospitals that are considered “top performers” when compared to other hospitals nationwide. Their excellent performance enables these hospitals to receive special recognition and rewards, which is determined by payers in their market.

The **Improvement category** is composed of hospitals that have not attained top-tier performance but demonstrate improvement in Quality and/or Resource Use compared to their previous performance levels. Payers in the market will determine the types and amounts of rewards for these hospitals to encourage further improvement.

# LHRP Program Flexibility

In the LHRP, Leapfrog has created a standardized performance measurement approach that can be benchmarked in any market across the country. Each payer that licenses the LHRP is required to use Leapfrog’s standard set of performance measures, which include pre-determined weights.

However, Leapfrog encourages licensees to discuss minimum performance thresholds for rewards consideration in the categories of Attainment and Improvement.

Licensees are encouraged to customize two aspects of the program with hospitals:

- 1) Determine the thresholds for the Attainment and Improvement eligibility categories
- 2) Determine the types and amounts of rewards provided to hospitals in those categories.

As each payer customizes the program during implementation, it is important to collaboratively discuss the performance criteria and to

communicate those expectations hospitals effectively.

Leapfrog has produced two methods for determining the eligibility thresholds for Attainment and Improvement.

Leapfrog has also established a menu of options for payers to select the type of reward for Attainment and Improvement.

For more information about the Leapfrog Hospital Survey and Leapfrog Hospital Rewards Program:

[www.leapfroggroup.org](http://www.leapfroggroup.org)

### Benefits of Licensing LHRP:

- Nationally standardized performance measure set
- Can be rapidly implemented in multiple markets
- Access to Leapfrog’s national set of hospital data
- LHRP customized reports with performance analysis
- Program support for customizing program aspects
- Networking opportunities among stakeholders and markets

| Rewards Options                                                                                                                                                      |                                                                                                                                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Attainment Menu                                                                                                                                                      | Improvement Menu                                                                                                                                      |
| <ul style="list-style-type: none"> <li>• Contract rate adjustment</li> <li>• Patient shift</li> <li>• Public recognition</li> <li>• Pre-set dollar amount</li> </ul> | <ul style="list-style-type: none"> <li>• Pre-set dollar amount</li> <li>• Shared savings dollar amount</li> <li>• Contract rate adjustment</li> </ul> |

# Program Participation

## For Hospitals

Hospitals that participate in the Leapfrog Hospital Survey are eligible to participate in the 2009 Leapfrog Hospital Rewards Program (LHRP) and receive incentives based on performance results.

Participating hospitals are encouraged to complete and submit the Leapfrog Survey by the first submission deadline on June 30, 2008, to be eligible for incentives in 2009.

However, the Leapfrog Survey can be submitted at any time; performance results will be published on the Leapfrog consumer website 30 days after submission. Hospitals are required to resubmit updated data between November 1, 2008, and December 31, 2008, to validate their performance results and qualify for rewards.

## For Health Plans

LHRP is only active in markets where a health plan has licensed the program to administer to its contracted hospitals.

Hospitals should contact their contracted health plans for more information about participating in the Leapfrog Hospital Survey and to discuss the opportunity to improve quality care through the Leapfrog Hospital Rewards Program.

Health Plans should contact the Leapfrog Group for more information about LHRP program logistics, pricing, implementation, and administration: [info@leapfroggroup.org](mailto:info@leapfroggroup.org).

# Current Hospital Performance

Using performance data for 1,169 hospitals that completed the Leapfrog Hospital Survey by June 1, 2008, Leapfrog formed the following conclusions:

**1) Hospital performance varies significantly.**

Wide variation in hospital performance means there is great opportunity for improvement.

**2) Excellent performance is possible.**

Based on current performance levels, we can see what is attainable and set performance benchmarks for LHRP accordingly.

**3) Quality and Resource Use can be improved separately.**

Quality and Resource Use measures do not necessarily correlate with one another, which means that Quality can still be maintained while improving Resource Use efforts, and vice-versa.

## Steering Committee

The LHRP was developed by The Leapfrog Group, in partnership with Discern Consulting, and a multi-stakeholder steering committee comprised of healthcare experts committed to healthcare system improvement:

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Karen Murphy  
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Franklin Community Health Network  
Thomson Reuters  
University of California, SF  
Aetna, Inc.  
Horizon Blue Cross Blue Shield of NJ  
Agency for Healthcare Research and Quality  
Agency for Healthcare Research and Quality  
The Boeing Company  
Horizon Blue Cross Blue Shield of NJ  
Moses Taylor Hospital  
Reynolds & Company  
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