



Horizon Blue Cross Blue Shield of New Jersey

Making Healthcare Work.



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HORIZON BLUE CROSS BLUE SHIELD OF NEW JERSEY LAUNCHES HOSPITAL RECOGNITION PROGRAM IN COLLABORATION WITH THE LEAPFROG GROUP

(NEWARK, NJ) – Horizon Blue Cross Blue Shield of New Jersey, in collaboration with The Leapfrog Group, announces the launch of the Horizon BCBSNJ Hospital Recognition Program, an innovative program offering New Jersey hospitals financial and public recognition for high-quality and effective hospital care. Horizon BCBSNJ is the first health plan in the nation to implement a statewide hospital recognition program in collaboration with The Leapfrog Group. Horizon BCBSNJ will offer all of its network hospitals the option of participating in either a program based on the Leapfrog Hospital Rewards Program™ or a similar program created by Horizon BCBSNJ.

Horizon BCBSNJ will use financial and non-financial recognition to acknowledge hospitals that perform exceptionally well and hospitals that demonstrate improvement over time. Both options provide hospitals with recognition for excelling in such areas as patient safety, clinical outcomes, patient satisfaction, efficiency and administrative excellence. Standards developed by the Centers for Medicare and Medicaid Services (CMS) and Joint Commission for Accreditation of Healthcare Organizations (JCAHO) serve as the platform for both programs.

“Horizon Blue Cross Blue Shield of New Jersey is committed to improving the health care experience for all those we serve,” said William J Marino, president and chief executive officer of Horizon BCBSNJ. “We are confident that as we begin to recognize high quality and efficient hospital care and make that information available to consumers significant improvements to the quality of care will be made in New Jersey. It’s one more example of how we’re *Making Healthcare Work* for our members.”

The first option for Horizon BCBSNJ network hospitals is based on the Leapfrog Hospital Rewards Program™, which provides a nationally standardized methodology to assess the value of patient care by measuring performance along two dimensions – the quality of the care hospitals provide and how effectively they deliver it. The Leapfrog methodology utilizes standardized performance measures developed by JCAHO, CMS, and The Leapfrog Group. This program builds on and expands a highly successful pay-for-performance demonstration run by CMS that gauged the quality of care delivered in several clinical areas to patients insured by Medicare. Robert Wood Johnson University Hospital in New Brunswick has already submitted data to the Leapfrog-based program.

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Suzanne Delbanco, chief executive officer of The Leapfrog Group, stated, "The Leapfrog Group continues to respond to the urgent need for solutions to combat escalating health care costs and uneven quality. Kudos to Horizon Blue Cross Blue Shield of New Jersey for stepping up to help make excellent and efficient health care a reality."

Alternatively, hospitals may choose to participate in a similar program developed by Horizon BCBSNJ. The patient safety criteria under Horizon BCBSNJ's program will be based on JCAHO's national patient safety goals and the Institute for Healthcare Improvement's 100,000 Lives Campaign. Clinical outcomes criteria will be based on the CMS process measures for heart attack, heart failure, community-acquired pneumonia, and the prevention of surgical site infections. The Horizon BCBSNJ option utilizes standardized hospital accreditation measures for patient safety and clinical outcomes and has been designed to minimize the reporting effort required by hospitals.

"Pay for Performance initiatives will advance the cause of quality health care quickly and the New Jersey Health Care Quality Institute (NJHCQI) applauds Horizon Blue Cross Blue Shield of New Jersey for taking this important step," said David L. Knowlton, President and CEO of the NJHCQI. "Rewarding and incentivizing an 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."

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 3.2 million 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>.

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.