



## LEAPFROG ACCOMPLISHMENTS

The Leapfrog Group is the leading national non-profit organization taking action to change the way health care is purchased and delivered. We serve as the employer voice on health care issues, in both local and national arenas. Leapfrog helps employers attain their goals – to save lives and reduce costs – through the principles of value-based purchasing.

*Three pillars are needed to uphold a health care system that works.*

1. **Transparency** – To choose better, more efficient care, those who use and pay for health care need publicly reported information from health care providers about their performance.
2. **Standard Measurements & Practices** – To compare health care providers and motivate them to improve, providers must report their performance using standardized measures.
3. **Reimbursement** – To stimulate better, more efficient care, those who pay for health care must offer incentives and rewards to providers and consumers.

*Where pillars were missing, Leapfrog built them.*

- When there was little transparency, we created vehicles to collect the data, including the Leapfrog Hospital Quality and Safety Survey (the Survey) and our new Leapfrog Hospital Insights program.
- Where there were no standard measurements, we developed them: The four “leaps” measure implementation of the NQF-endorsed safe practices and Leapfrog Hospital Insights measures hospital quality and efficiency in critical clinical areas.
- When others claimed it was impossible to design a P4P (incentive and reward) program that used standardized measures, increased transparency and had a return on investment, we created one: The Leapfrog Hospital Rewards Program™ (LHRP).

*Since demonstrating that transparency, standardized measures and rational reimbursement can work, they have become embedded into the health care system and demanded by health care purchasers. With prodding from Leapfrog, major health care players have aligned with our mission and three pillars.*

- The Deficit Reduction Act of 2005 and the **President’s** Executive Order of August 2006 both mandate the Centers for Medicare & Medicaid Services (CMS) to look for new ways to increase efficiency and put what Leapfrog has long been espousing into the permanent fabric of the health care system.
- In November 2006, **Health & Human Services** Secretary Mike Leavitt issued a call for US employers to support the Executive Order by incorporating four “Cornerstones of Value-Driven Health Care” (<http://www.hhs.gov/transparency/index.html#cornerstones>) into their health care procurement strategies. Leapfrog has been a key advisor to HHS by counseling them on their landmark meeting of employers on the Cornerstones, enlisting Members to commit publicly to advancing the Cornerstones, and leading a partnership of organizations in writing “The Purchaser Guide to Value-driven Health Care” ([http://www.leapfroggroup.org/news/leapfrog\\_news/Purchaser\\_Guide](http://www.leapfroggroup.org/news/leapfrog_news/Purchaser_Guide)). To help Members save time and resources trying to navigate reams of information, we helped write this Guide to identify initiatives they can undertake to implement each of the Cornerstones.

Leapfrog and other private sector efforts have led the way in insisting on the implementation of the three pillars, all of which have been adopted by Secretary Leavitt and will have major impact on CMS, the Office of Personnel Management, the Department of Defense and the Department of Veterans Affairs. This means that the nation's largest purchasers of health care are now fully aligned with our pillars.

- **CMS** looks to Leapfrog as the voice of private purchasers. CMS has a liaison to the Leapfrog Board of Directors and we meet regularly with senior officials to discuss our initiatives and how each organization can support the other.

Drawing on our Members' experience, Leapfrog has influenced the design of CMS' value-based purchasing initiative. Following our lead in aligning payments with quality, CMS recently set 2009 as the deadline by which hospitals must report outpatient quality measures to receive the full Medicare reimbursement increase.

Leapfrog launched a policy on health care "never events" (medical errors so egregious they should never happen to a patient) in November 2006. At CMS' request, we then sent a letter to Chairman Bill Thomas of the House Ways and Means Committee about our policy and how legislation could help reduce Medicare's payment for care in which never events occur. On December 20, the Tax Relief and Health Care Act of 2006 was signed into law, instructing the HHS Office of Inspector General (OIG) to conduct a study to identify Medicare payments that could be recouped in connection with never events. And, the 2008 HHS budget proposal prohibits CMS from making payment for never events. This would be a savings of \$190 million over five years. The budget also includes: a mandate that hospitals report never events or face a reduced annual update factor; incentives for high quality hospital care; and, the creation of minimum benchmarks for lower quality hospitals.

- **Health Plans** - Leapfrog's Health Plan User Groups bring together Leapfrog members who have significant business relationships with particular health plans to collaborate and develop strategies for advancing Leapfrog's Purchasing Principles, thus resulting in better care for employees. Currently, we work with five plans (Aetna, CIGNA, Humana, UnitedHealthCare and Wellpoint), always seeking more. The Users Group Scorecard rates health plans' progress in helping Members implement the Purchasing Principles. Since 2004, each of the participating health plans has made great strides on each metric in the Scorecard and toward promoting public reporting and implementation of patient safety and quality practices. This collaboration also allows Leapfrog and health plans to work together to push other industry stakeholders toward achieving our goals.
- Leapfrog sits on the **National Quality Forum** Purchaser Council as well as various NQF steering committees and expert panels to assure that endorsed health care performance measures meet the needs of purchasers and consumers. Without this involvement, many measures would be geared to assess only narrow bands of performance and not to report significant differences among providers publicly.
- Through participation in the **National Committee for Quality Assurance** purchaser advisory council, Leapfrog continues to move NCQA toward stronger metrics for health plan accreditation. This ultimately means better care for employees at the source.
- Leapfrog has provided input into the strategic initiatives of **Agency for Healthcare Research and Quality**, by attending strategic planning meetings at AHRQ. Additionally, we are represented on the NQF Steering Committee that is reviewing AHRQ's Quality, Safety and Pediatric Indicators. We are also participating in an evaluation of AHRQ's patient safety work conducted by Rand and anticipate having a set of recommendations for improving the Leapfrog Survey as a result of this participation. In this year's Survey, we adopted a number of hospital volume indicators from AHRQ as part of our efforts to harmonize measurement with other national performance measurement organizations.



- **Hospital Quality Alliance/Ambulatory Quality Alliance** – We've influenced the development of standardized measures that are useful for value-based purchasing and are meaningful to consumers and purchasers.

*Last, Members have been using Leapfrog tools that help them take action in furthering our mission – to trigger giant leaps forward in the safety, quality and affordability of health care.*

- The **Leapfrog Hospital Quality and Safety Survey** is a publicly available, industry standard in rating the quality and safety of individual hospitals. Hospital participation in it and Leapfrog Hospital Insights (which assesses efficiency in addition to quality) advances transparency in the health care system, allowing consumers and employers access to information they need to make informed health care decisions. The Survey rates hospitals in 33 regions of the country, covering over half of all Americans. When it was launched in 2001, there were only about 10 hospital public reporting tools; today, there are over 50.

Hospital participation in the Survey helps speed the improvement of health care quality. Among the hospitals targeted to participate, the percentage that meet our standard for ICU Physician Staffing (IPS) has risen from about 21% in 2002 to nearly 28% in 2007. Over 54,000 deaths could be avoided and up to \$16.2 billion saved if the IPS standard were implemented in all urban hospitals with ICUs. The percentage meeting our standard for Computerized Physician Order Entry (CPOE) has risen from 2% to over 7% from 2002 to 2007. If CPOE were implemented in all urban hospitals, 567,000 serious medication errors could be avoided and up to \$15.5 billion saved.

The **Longitudinal Reports** benchmarking tool allows Members to view hospitals' progress on each of our leaps across multiple years.

- Where the industry lacked a way to create incentives and rewards for high value hospital care, Leapfrog stepped into the void and created the first ever tool to make it easy for employers and health plans to prod better hospital performance. The **Leapfrog Hospital Rewards Program™** (LHRP) – built on Leapfrog's three pillars – addresses performance in five clinical areas that are important to employers (coronary artery bypass graft, percutaneous coronary intervention, acute myocardial infarction, community acquired pneumonia and deliveries/newborn care). Together, these five clinical areas represent 33% of commercial admissions and 20% of commercial inpatient spending. Improvements in these areas can save up to \$18 billion and 64,000 lives annually.

Using the first nationally standardized and nationally collectible gauge of hospital efficiency, the LHRP also fills the void in efficiency measurement. Markets around the country are focusing on our efficiency measures as the "next step" in hospital performance measurement and transparency. A statewide health plan already has implemented and a national health plan will soon implement the LHRP as their strategy to improve hospital care.

- The **ROI Estimator** tool ([www.ROIEstimator.com](http://www.ROIEstimator.com)) allows employers and health plans to determine the potential return on investment, in both lives and money saved, from implementing the Leapfrog Hospital Rewards Program™.
- Our **Incentive and Reward Compendium** (<http://ir.leapfroggroup.org/compendium/>) is a searchable database of "pay for performance" programs across the country. Widely used and recognized, the Compendium is a knowledge base of value-based purchasing models that are working to stimulate health care improvements.
- The **Enrollee Communications Toolkit** ([http://www.leapfroggroup.org/for\\_members/members\\_resources/engaging\\_enrollees/ee\\_tools](http://www.leapfroggroup.org/for_members/members_resources/engaging_enrollees/ee_tools)) helps Members educate employees about vital quality and safety issues, including how to connect employees with the results of the Leapfrog Hospital Quality and Safety Survey, as well as the other work Leapfrog does to improve health care.

