



November 30, 2006

Chairman Bill Thomas
2208 Rayburn Office Bldg.
Washington DC 20515

RE: The Leapfrog Group statement on hospitals not billing for “never events”

Dear Chairman Thomas,

The Leapfrog Group is a coalition of more than 145 large public and private organizations that sponsor health care benefits and support the use of their purchasing power to initiate breakthrough improvements in the safety, quality and affordability of health care.

Toward this end, The Leapfrog Group recently issued a call to all hospitals to adopt its policy on “never events” which specifies, among other things, that a hospital will not bill a patient or third party payer for any costs directly related to a never event. A never event, or “serious reportable event”, as defined by the National Quality Forum, is one of 28 serious, identifiable, largely preventable medical errors that affect a patient within a provider facility.

Through the Leapfrog Hospital Quality and Safety Survey 2007, Leapfrog will ask hospitals to commit publicly to four actions when a never event occurs: apologize to the patient/family; report to JCAHO or another reporting program; perform a root cause analysis; and, waive billing for services incident to the never event. Hospitals that adopt the policy will be given public recognition through our 2007 Leapfrog Survey, results of which are publicly accessible on our website. They will also receive a higher rating in our next hospital pay-for-performance program update.

While the frequency of never events is not entirely known, we know overall that medical errors number in the tens of thousands and result in an excess of billions of dollars of costs per year. Given the egregious nature of never events, it is not surprising that both the public and private sector is giving more and more attention to the issue. States, such as Minnesota and Indiana, have passed legislation that requires hospitals to report never events; health plans such as HealthPartners are re-working their contracts with hospitals that preclude hospitals from billing for never events; and employers such as GM and IBM are encouraging hospitals that they work with to sign on to Leapfrog’s 4 tenets on never events.

Considering that Medicare is the nation's largest health insurance program, we strongly encourage adoption of a similar never events policy by CMS. Better-coordinated public and private sector provider payment policies will accelerate hospital efforts to prevent these catastrophes for our beneficiaries.

Yours truly,

A handwritten signature in cursive script that reads "Cristie Travis".

Cristie Travis, Board Chair

The Leapfrog Group

A handwritten signature in cursive script that reads "Karen Linscott".

Karen Linscott, Acting CEO

The Leapfrog Group