

***Potential Development of a
Leapfrog Group Regional Roll-Out
In Pennsylvania***

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Executive Summary

There is a critical need for transparency of healthcare information TODAY in order to support consumer driven health care and any future health reform in Pennsylvania (Governor Rendell's Prescription for Pennsylvania). PHC4 is the primary group that provides information about Pennsylvania healthcare providers to the public. The business community believes that Pennsylvania can and should participate in a national approach to data analysis and reporting (The Leapfrog Group) that has been well researched, tested, and is currently operating throughout the US. This can be accomplished as a part of the proposed 2007 changes in PHC4's enabling legislation.

The Leapfrog Group

Leapfrog is a not-for-profit organization based in Washington, D.C., started by The Business Roundtable. Its mission is to trigger giant leaps forward in quality, customer service, and affordability of healthcare services. Leapfrog promotes hospital choice around a limited number of high impact patient quality and safety standards, leading to higher quality and lower cost care. It is a consumer driven strategy accomplished by encouraging hospital choice based on a comparison of hospitals' level of compliance with these standards.

Since 2001, The Leapfrog Group has been implementing its hospital patient safety and quality program using a Regional Roll-Out Strategy throughout the United States. There are currently 34 Regional Roll-Outs operating in 29 states. Leapfrog relies on its large corporate members, along with coalitions of businesses in a region, to implement a rollout strategy. The sponsors and participating businesses are charged with working with and encouraging area hospitals to submit their data to Leapfrog's voluntary online Hospital Quality and Safety Survey. For more information on Leapfrog's standards and approach, visit www.leapfroggroup.org. Pennsylvania remains one of the most populous states where Leapfrog is not currently rolled out leaving a large hospital performance information gap for PA residents.

Pennsylvania Health Care Cost Containment Council (PHC4)

PHC4 is an independent state agency responsible for addressing the problem of escalating health costs in Pennsylvania, ensuring the quality of health care and increasing access for all citizens regardless of ability to pay. The Agency publishes comparative information about health care providers for use by health care purchasers and consumers, and encourages providers to use this data to contain costs and improve the quality of care they deliver. For more information on PHC4's mission and approach, visit www.phc4.org.

PHC4 was originally created by Act 89, and then amended by Act 14. PHC4's enabling legislation is subject to review and renewal in 2007, thereby providing Pennsylvania stakeholders with an opportunity to evaluate and suggest enhancements to the Agency's approach and expected benefits.

Examples of Statewide Leapfrog Initiatives

The following are examples of collaborative activities between Leapfrog and various state governments and/or affiliated agencies:

- Use of Leapfrog Data by State Purchasing Agency. In Massachusetts, the Group Insurance Commission (GIC) administers health insurance and other benefits for Commonwealth employees and retirees, and their dependants. The GIC publishes Leapfrog data on its

website (see <http://www.mass.gov/gic/bdg/bdgpatientsafety.htm>) to assist patients with hospital decisions. The State of Maine and Minnesota's "Smart Buy" Health Care Purchaser Alliance are other examples of states that promote the use of Leapfrog data.

- Pay-For-Performance (P4P). Healthcare purchasers are experimenting with new financial models that establish differential provider payment levels based on actual and/or expected results. The Wisconsin Employee Trust Funds is developing tiered premium contribution levels based on meeting specific performance including Leapfrog.
- Medicaid. The Pennsylvania Department of Public Welfare, responsible for the state's Medicaid program, has a hospital P4P program in place that incorporates Leapfrog survey measures into an incentive hospital payment system to encourage hospitals to adopt quality improvement initiatives (see <http://www.pabulletin.com/secure/data/vol36/36-18/785.html>). PHC4 is a participant in this program.
- Regional Roll-Out Leadership. Each of the 34 Leapfrog Regional Roll-Outs around the United States has a healthcare purchaser as its 'leader'. In most cases, the Roll-Out leader is a corporation or a business coalition, but there are three state governments that are leading Regional Roll-Outs for Leapfrog in Ohio, Washington, and Massachusetts.

Pennsylvania Stakeholders

All healthcare purchasers and consumers in Pennsylvania have much to gain from improved 'transparency' in the healthcare industry. The organizations that may be interested in promoting a joint initiative by PHC4 and Leapfrog to improve transparency are: PA Chamber of Commerce, PA Business Roundtable, Pittsburgh Business Group on Health, Greater Philadelphia Chamber of Commerce, Main Line Chamber of Commerce, Allegheny Conference, Delaware Valley Industrial Resource Center, the PA Economy League, and other chambers and associations.

Suggested Approach

A representative group of PA stakeholders would approach members of the PA legislature and the relevant Committee(s) to request incorporation of the following provisions into the PHC4 enabling legislation: Leapfrog's data reporting elements are incorporated into the required set of data reporting elements for PA hospitals; and, PHC4 staff, along with industry and hospital representatives, will consider reduction and/or elimination of certain existing data elements such that the data reporting process for PA hospitals is resource neutral.

Assuming that the legislation is passed and signed by the Governor (a strategy which compliments his stated objective to make healthcare more affordable and health insurance more available), PHC4 will begin receiving the revised set of data elements from PA Hospitals. PHC4 will forward the applicable portions of the data set to Leapfrog, and continue to do its work consistent with its current mission. Pennsylvanians will continue to benefit from the good work of PHC4, and have the added benefit of participation in the national Leapfrog initiative that is tested, operational, and benefiting businesses and consumers throughout the United States (but not yet in Pennsylvania).

For more information, please contact David Edman, Risk Management Partners LLC (610-975-4415 or David@rmpllc.biz) or Tim Phelps, Vice President, Main Line Chamber of Commerce (610-687-6232, x-106 or tphelps@mlcc.org).

Proposal “Talking Points”

Background

- The Pennsylvania Health Care Cost Containment Council (PHC4) is an independent state agency created in 1987 (www.phc4.org). Its purpose is to publish comparative information about PA healthcare providers in order to control costs and improve quality.
- PHC4’s enabling legislation and estimated \$4 million annual operating budget are subject to renewal by the Pennsylvania Legislature in 2007.
- The Leapfrog Group is a national initiative started by The Business Roundtable in 1998, currently operating in 29 states and promoting hospital choice based on compliance with certain high impact patient quality and safety standards (www.leapfroggroup.org).
- At a National Summit for Employers convened by The Business Roundtable in November 2006, HHS Secretary Michael O. Leavitt called on employers throughout the nation to commit to four “cornerstone” goals needed to improve quality and reduce costs, with data transparency as a central theme (see www.hhs.gov/transparency).
- There are many examples of state governments and/or their affiliated agencies working with The Leapfrog Group in a collaborative way.
- PHC4 and Leapfrog can potentially collaborate on data gathering and thereby enhance the ability of each organization to fulfill its mission.

Proposal

- Incorporate Leapfrog’s data reporting elements into the current set of required data reporting elements sent by PA hospitals to PHC4.
- Reduce and/or eliminate certain existing reporting requirements such that the data reporting process for PA hospitals is resource neutral.
- Upon implementation of a new data reporting process, PHC4 will receive the requisite data from PA hospitals and forward applicable portions of the data set to Leapfrog.
- Leapfrog will publish the relevant data consistent with its national standards and PHC4 will continue to do its work consistent with its current mission focused on Pennsylvania.

Rationale

- There is now a critical need for transparency of healthcare information in order to support consumer driven health care and any future health reform in Pennsylvania.
- Governor Rendell has unveiled a universal health coverage proposal called “Prescription for Pennsylvania” that may have a significant financial impact on PA businesses.
- The “Prescription for Pennsylvania” is likely to be debated throughout 2007 and into 2008, and its ultimate scope and impact is uncertain.
- Pennsylvania can and should participate in a national approach to data analysis and reporting that has been well researched, tested, and is currently operating throughout the US.