

# What's Right About Health Care? Applying Leapfrog's Other Industries Test

Leah Binder, CEO  
The Leapfrog Group  
[www.leapfroggroup.org](http://www.leapfroggroup.org)

October 19, 2011

# Leapfrog: Market rules applied to health care

**Transparency**

**Good data**

**Customer rewards**



# Leapfrog Never Events Policy

1. Apologize to the patient and family.
2. Do a root cause analysis.
3. Report to appropriate authorities.
4. Don't charge for the event.
5. Make the policy publicly available.



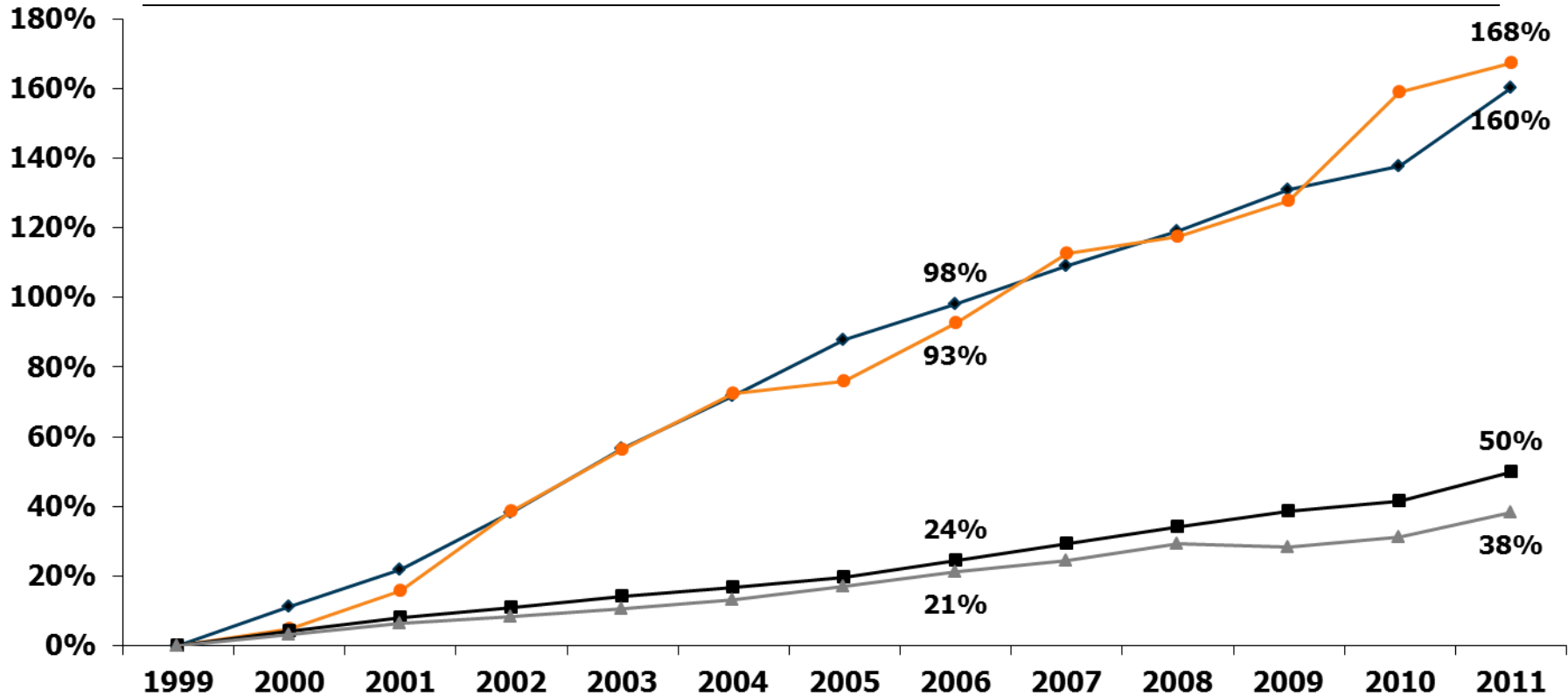
**U·S AIRWAYS**

# January 2009

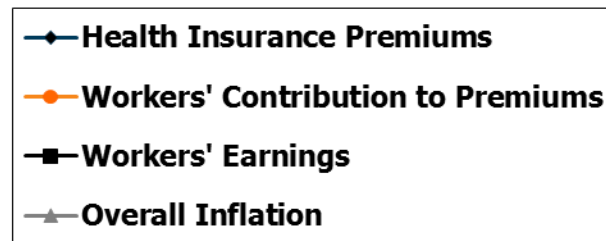




# Cumulative Increases in Health Insurance Premiums, Workers' Contributions to Premiums, Inflation, and Workers' Earnings, 1999-2011



Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2011. Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation (April to April), 1999-2011; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 1999-2011 (April to April).



# Health policy, both sides of the aisle: Bend the cost curve\*

\*and improve quality



# How? The main plan.

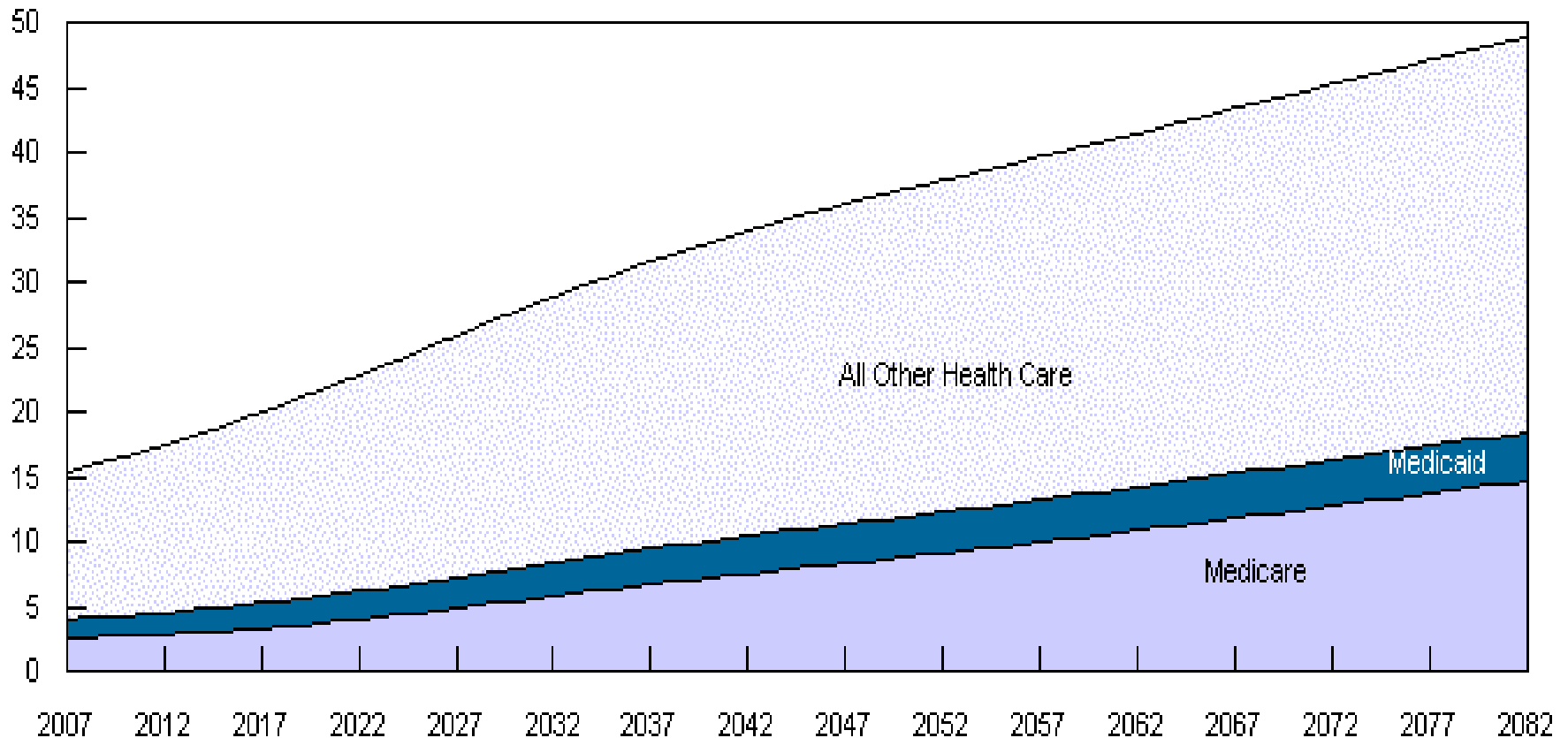
- A. Lower the cost of hospitals.
- B. If A doesn't work, shift costs to employers.



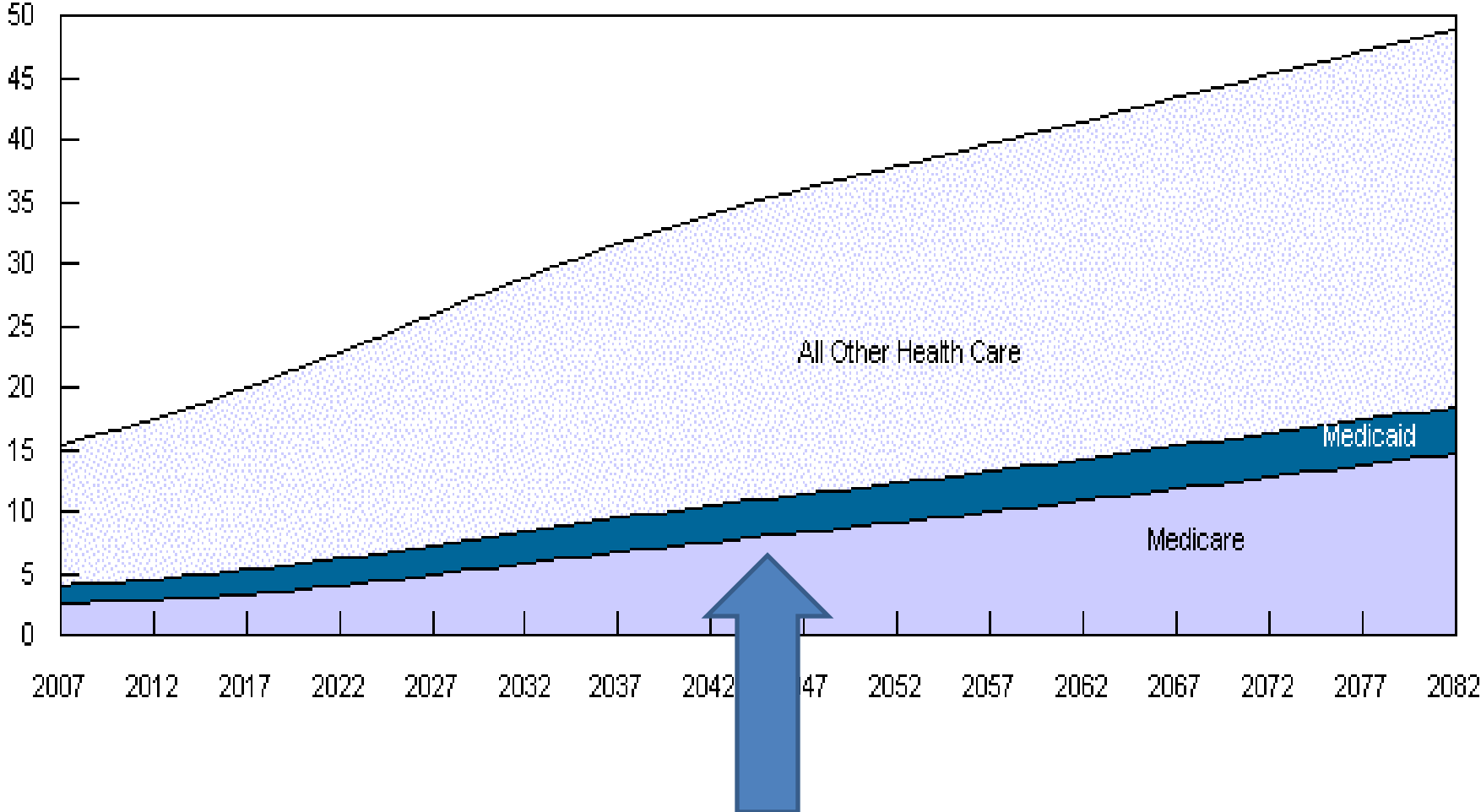
# A lot of work for hospitals to do

- Transform quality
- Transform efficiency
- Expect less volume
- Move out of the center of healthcare

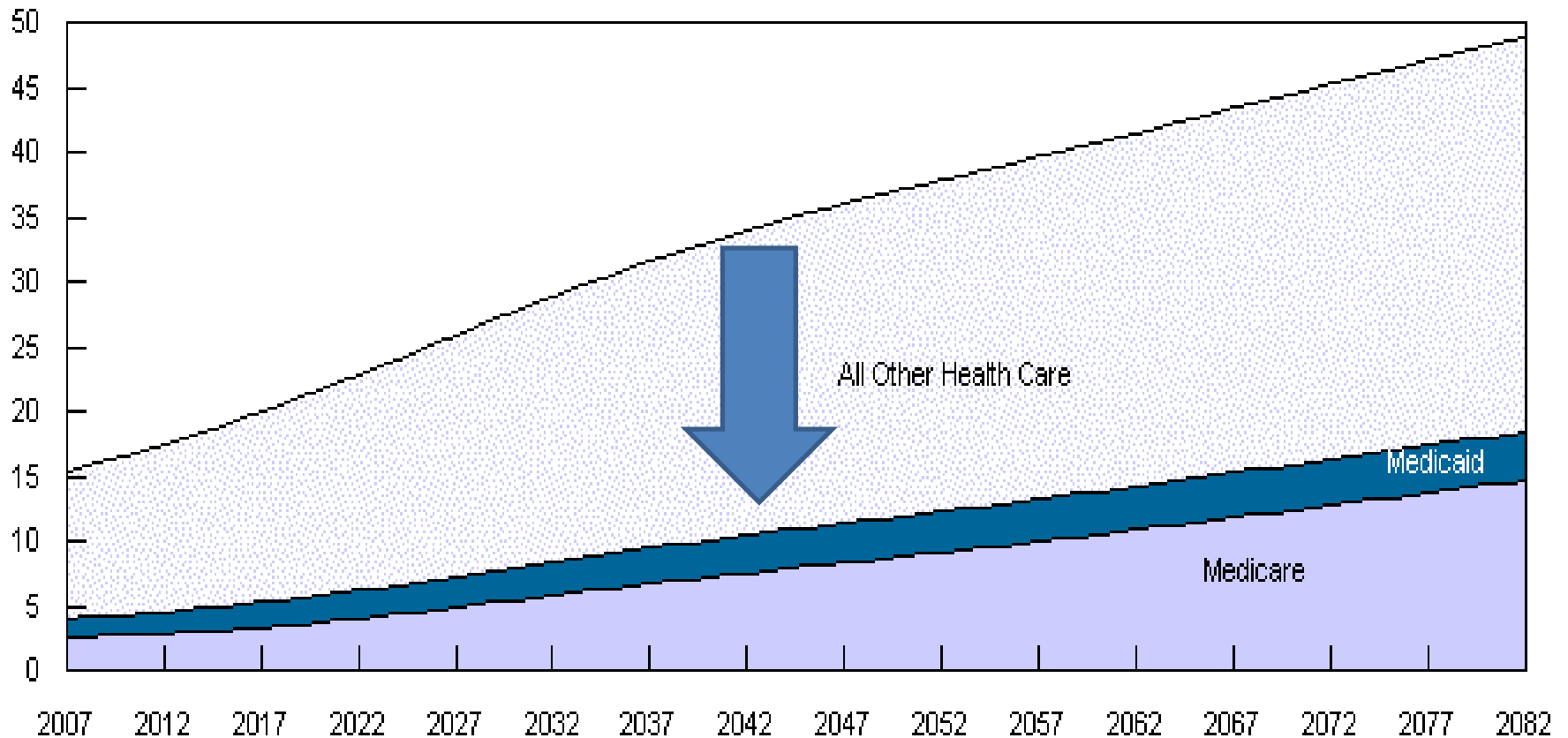
# Worries: CBO Projections of Health Cost Growth as Percent of U.S. GDP (2007)



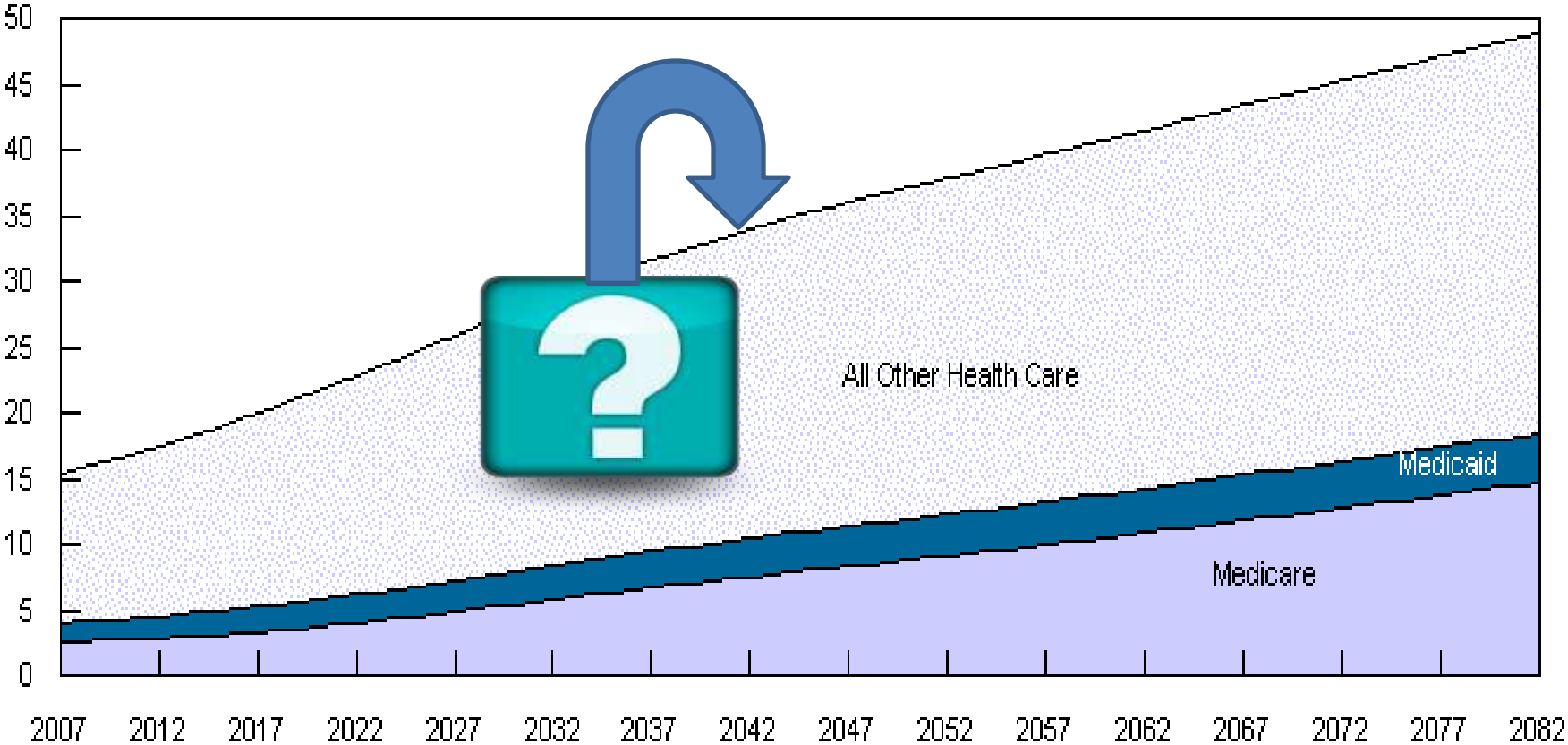
# If bending the cost curve fails ...



# If bending the cost curve succeeds ...



# What about purchasers?



# Will plan B work?

Purchasers shifting their own risk out of the health care market.

Why doesn't health care play by the market rules we play by?

**1999**

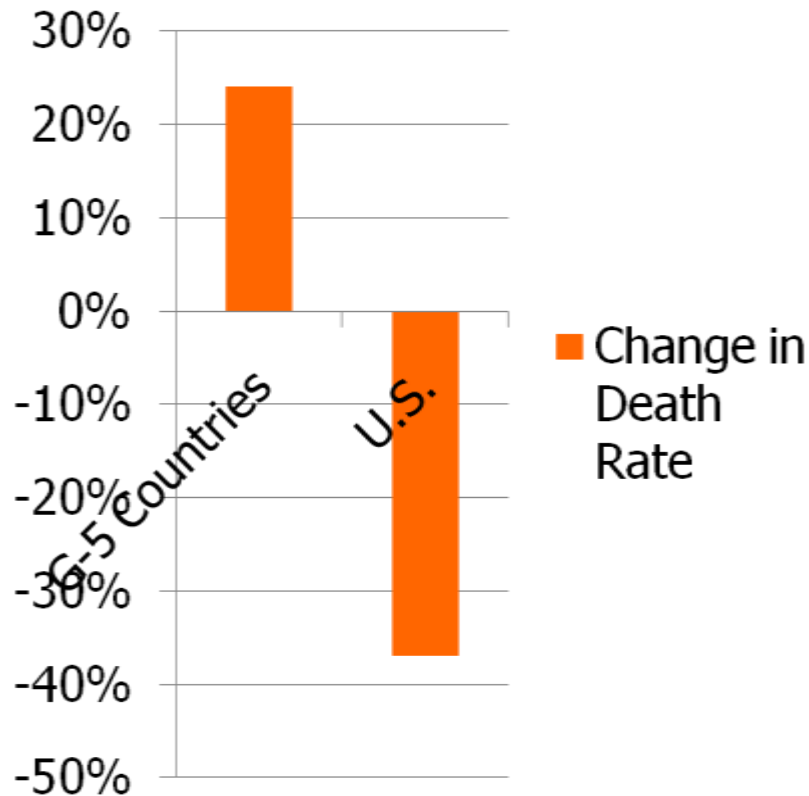


**2010**



# Can it work in health care? Hospital Misadventures Resulting in Death 2005-2010

## US Alone Improved



## Why? Business Roundtable:

- “...A group of large employers – the “Leapfrog Group” – came together to leverage their collective purchasing power and encourage the health system to focus on this issue. This year’s study finds that efforts of this kind have been powerful...”

# Leapfrog's 3 Recommendations for Hospitals

- 1. Use transparency** (beyond your comfort zone).
- 2. Use data** (very very well).
- 3. Know your customer** (and what they want).

# 1. Use Transparency



# What customers want to know, showing the contrasts without bias

Cars	Honda	Fiat	Maruti	Hyundai	VW	Chevrolet	Ford
Parameters	City	Linea	SX4	Verna	Vento	Aveo	Fiesta
Looks	9	10	7	7	7	8	7
Design	9	9	8	8	8	7	7
Interior	10	8	7	8	8	8	8
Feature richness	8	9	8	8	7	8	9
Power	8	7	10	9	8	7	8
Ride Quality	7	9	9	7	8	7	8
Mileage	9	7	8	8	9	8	8
After sales support	8	6	10	8	7	7	7
Easy to maintain	8	7	8	8	8	7	7
Price/value	6	10	9	8	7	9	8
Resale	10	6	9	8	8	7	7
<b>Total</b>	<b>92</b>	<b>88</b>	<b>93</b>	<b>87</b>	<b>85</b>	<b>83</b>	<b>84</b>

# Hospital Compare by CMS



Hospital Process of Care Measure	UNITED STATES AVERAGE	MAINE AVERAGE	Percentage for FRANKLIN MEMORIAL HOSPITAL	Percentage for MAINE GENERAL MEDICAL CENTER	Percentage for MAINE MEDICAL CENTER
Percent of Pneumonia Patients Whose Initial Emergency Room Blood Culture Was Performed Prior To The Administration Of The First Hospital Dose Of Antibiotics	92%	94%	95% of 55 patients	95% of 250 patients	85% of 273 patients
Percent of Pneumonia Patients Given Initial Antibiotic(s) within 6 Hours After Arrival	94%	97%	97% of 68 patients	97% of 268 patients	94% of 249 patients
Percent of Pneumonia Patients Given the Most Appropriate Initial Antibiotic(s)	88%	91%	90% of 40 patients	96% of 173 patients	93% of 120 patients

	<b>FRANKLIN MEMORIAL HOSPITAL</b> FARMINGTON, ME <a href="#">Acute Care</a>	<b>MAINE GENERAL MEDICAL CENTER</b> AUGUSTA, ME <a href="#">Acute Care</a>	<b>MAINE MEDICAL CENTER</b> PORTLAND, ME <a href="#">Acute Care</a>
--	---	--	---

Check the boxes next to the topics for which you would like to view correlating tables or the **Mortality Graphs**.

[Reset Checkbox](#)

[View Graph](#)

[View Table](#)

<input checked="" type="checkbox"/> Death Rate for Pneumonia Patients	No Different than the U.S. National Rate	No Different than the U.S. National Rate	No Different than the U.S. National Rate
---	--	--	--

The U.S. National Death (Mortality) Rate for Pneumonia Patients = 11.5 %

HOSPITAL NAME	<a href="#">Better Than U.S. National Rate</a> ( <u>Adjusted</u> mortality is lower than the U.S. National Rate)	<a href="#">No Different Than U.S. National Rate</a> ( <u>Adjusted</u> mortality is about the same as U.S. National Rate or difference is uncertain)	<a href="#">Worse Than U.S. National Rate</a> ( <u>Adjusted</u> mortality is higher than U.S. National Rate)
FRANKLIN MEMORIAL HOSPITAL		✓	
MAINE GENERAL MEDICAL CENTER		✓	
MAINE MEDICAL CENTER		✓	

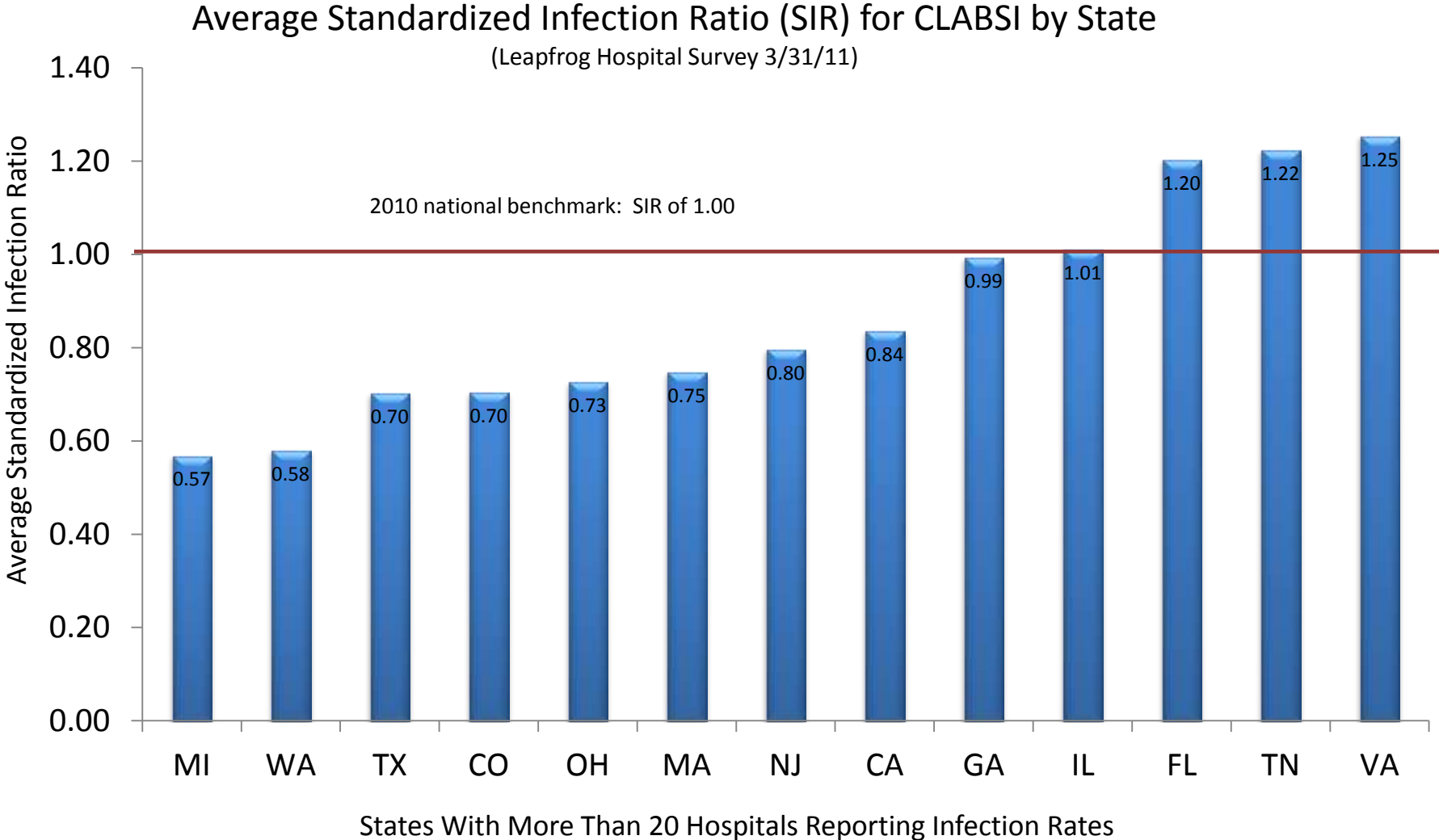
## Example of State “Public Reporting”: South Carolina Reporting of Infection Rates

<b>Table 1: Central Line Associated Blood Stream Infections (CLABSI) Standardized Infection Ratio (SIR)</b> Reportable Period: December 1, 2008 - November 30, 2009 Location: Medical Surgical Intensive Care Unit STATEWIDE							
Hospital	Observed (O) No. of CLABSI	No. of Central Line Days	Statistically 'Expected' (E) No. of CLABSI <sup>a</sup>	Hospital SIR = O ÷ E	95% Lower CI	95% Upper CI	Statistical Interpretation <sup>b</sup>
Abbeville Area Medical Center	*	43	*	*	*	*	*
Adlon Regional Medical Center	3	2671	4.0	1.3	0.4	2.9	Not Different
AdMed Health Medical Center	4	2401	3.8	1.1	0.3	2.8	Not Different
Baptist Easley Hospital	0	341	0.5	0.0	0.0	7.2	Not Different
Bon Secours - St. Francis Xavier Hospital	3	1806	2.7	1.9	0.6	4.3	Not Different
Cannon Memorial Hospital	0	219	0.2	0.0	0.0	20.7	Not Different
Carolina Pine Regional Medical Center	2	766	1.1	2.6	0.5	7.6	Not Different
Chester Regional Medical Center	0	76	0.1	0.0	0.0	22.4	Not Different
Chesterfield General Hospital	*	0	*	*	*	*	*
Coastal Carolina Medical Center	0	109	0.2	0.0	0.0	22.6	Not Different
Colleton Medical Center	3	841	1.3	4.0	1.3	9.2	Higher
Conroy Medical Center	1	908	1.3	0.7	0.0	3.8	Not Different
East Cooper Regional Medical Center	2	511	0.8	2.6	0.3	9.4	Not Different
Greenville Memorial Hospital	14	5005	10.5	1.3	0.7	2.2	Not Different
Greer Memorial Hospital	0	235	0.5	0.0	0.0	7.5	Not Different
Hampton Regional Medical Center	1	136	0.2	4.9	0.1	27.3	Not Different
Hillcrest Memorial Hospital	0	256	0.4	0.0	0.0	9.6	Not Different
Hilton Head Regional Medical Center	4	1107	1.7	2.4	0.7	6.2	Not Different
KershawHealth	0	527	0.8	0.0	0.0	4.7	Not Different
Laurens County Healthcare System	1	372	0.8	1.8	0.0	10.0	Not Different
Lexington Medical Center	10	1244	4.9	2.1	1.0	3.8	Not Different
Loric Healthcare System	0	893	1.2	0.0	0.0	2.8	Not Different

# Leapfrog: A First Step in Health Care Transparency

Click to Compare ▼ Sort	Prevent Medication Errors ▼ Sort	Appropriate ICU Staffing ▼ Sort	Steps to Avoid Harm ▼ Sort	Reduce Pressure Ulcers ▼ Sort	Reduce In-Hospital Injuries ▼ Sort	Managing Serious Errors ▼ Sort	Reduce ICU Infections ▼ Sort	Transparency Indicator ▼ Sort	Survey Results Submitted ▼ Sort
<input type="checkbox"/> <b>ALEGENT HEALTH - MIDLANDS COMM HOSP</b> PAPILLION, NE								Declined To Respond	8/30/2009
<input type="checkbox"/> <b>ALEGENT HEALTH LAKESIDE HOSPITAL</b> OMAHA, NE								Other Reporting Efforts	8/19/2009
<input type="checkbox"/> <b>ALEGENT HEALTH-BERGAN MERCY MEDICAL CE</b> OMAHA, NE								Other Reporting Efforts	8/19/2009
<input type="checkbox"/> <b>Children's Hospital &amp; Medical Center</b> OMAHA, NE				Does Not Apply	Does Not Apply			Other Reporting Efforts	6/29/2009
<input type="checkbox"/> <b>Creighton University Medical Center</b> OMAHA, NE								Other Reporting Efforts	6/29/2009
<input type="checkbox"/> <b>IMMAHUEL MEDICAL CENTER</b> OMAHA, NE								Other Reporting Efforts	8/14/2009
<input type="checkbox"/> <b>Nebraska Methodist Hospital</b> OMAHA, NE	Declined To Respond	Declined To Respond	Declined To Respond	Declined To Respond	Declined To Respond	Declined To Respond	Declined To Respond		
<input type="checkbox"/> <b>OAKLAND MEMORIAL HOSPITAL</b> OAKLAND, NE				Response Not Required	Response Not Required		Does Not Apply	Other Reporting Efforts	8/07/2009
<input type="checkbox"/> <b>OGALLALA COMMUNITY HOSPITAL</b> OGALLALA, NE		Does Not Apply					Does Not Apply	Other Reporting Efforts	8/11/2009
<input type="checkbox"/> <b>THE NEBRASKA MEDICAL CENTER</b> OMAHA, NE								Other Reporting Efforts	6/30/2009

# Does transparency work in health care?



# CDC Release Today

- 7% reduction in Catheter-Associated urinary tract infections
- 10% reduction in surgical site infections
- 35% reduction in central line-associated bloodstream infections



Yet another frontier in transparency





“Sweetened skin lotion,  
not something you want  
to eat.”

# DEAR UNITED STATES OF AMERICA,

What's up, America? How's it going? We're doing pretty well, thanks.

Tonight, we here at Miracle Whip are launching a brutally honest and expensive TV commercial on that popular show on FOX that begins at 8pm EST. It's about how much people love us. Or can't stand us. You'll see folks wax poetic on our unique taste. Or go off on it with no mercy. Which is fine— we know we're a slightly volatile, white-ish sandwich spread that's not for everyone. Oh, and look for a few surprise appearances in there, too.

So tune in and pick a side. Do you love us or hate us? There is no wrong answer. Except for "None of the Above." That's lame. You know it. We know it.

And if you've never tasted us, that's no longer an excuse. At the end of the commercial, we'll tell you how to get a free sample. Hint: it has something to do with [miraclewhip.com](http://miraclewhip.com).

Thanks for your time. Have an awesome week.

Keep it tangy.



P.S. Catch our spot on that show at 8pm EST on FOX. Then go to [miraclewhip.com](http://miraclewhip.com) to join the fray and get a free sample. Yeah, that's what you should do.

## 2. Use Data.

“Fantasy baseball managers have far more data to evaluate players for their teams than patients and referring doctors have in matters affecting life, death and disability.”

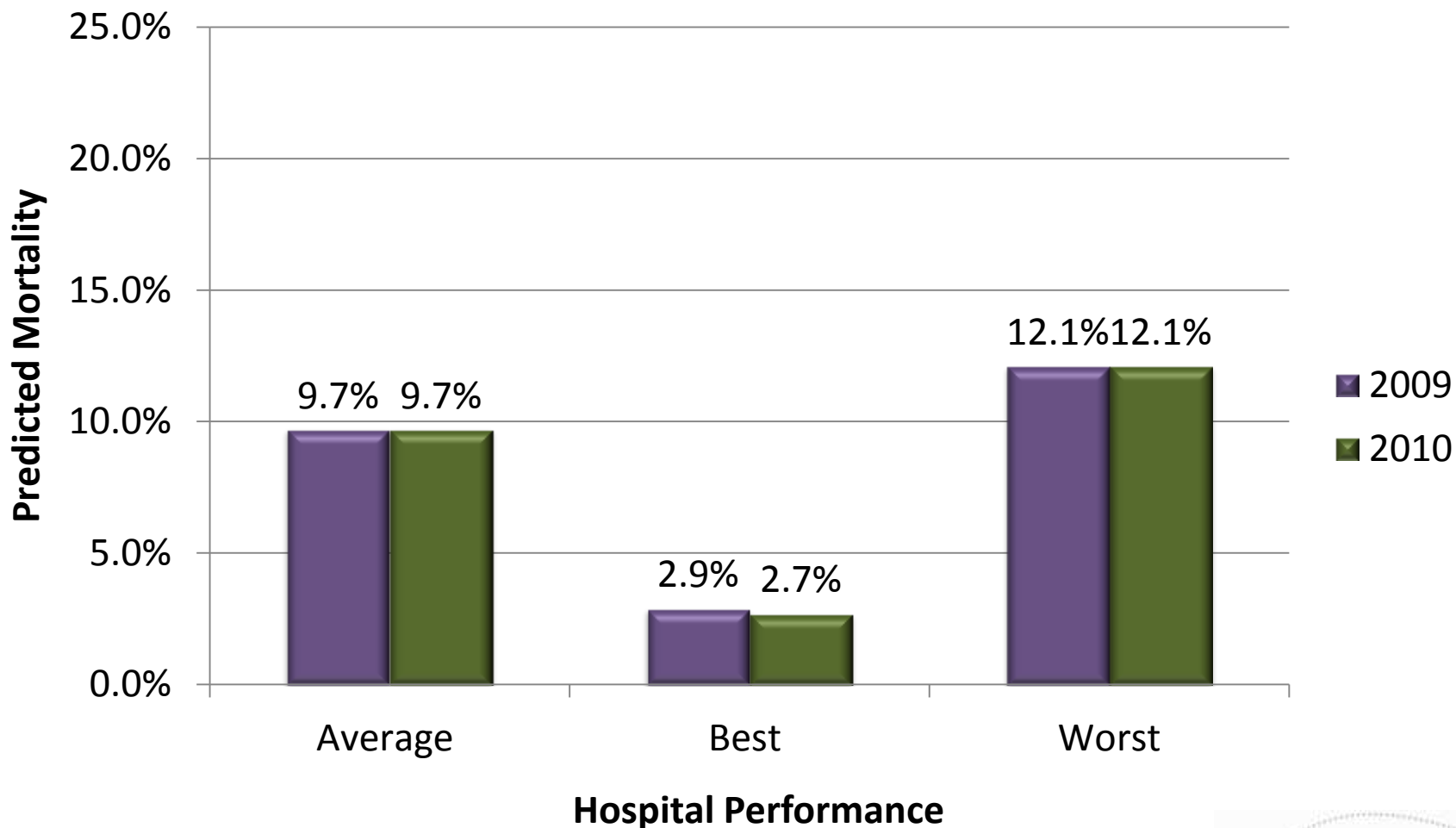
--*George Schultz, Arnold Milstein & Robert Krughoff, Wall Street Journal, September 20, 2011*



# Sabremetrics



# Predictor: Mortality from Esophageal Resection



3. Know your customer.



# Do consumers care about quality?

- 10 million people per month visit HealthGrades
- 93% said they would go out of their way to seek care at a highly rated hospital

What do they want in the future?





# The health care industry



1. Use transparency.
2. Use Data.
3. Know your customer.

# What's right about health care



# Join Us

The Leapfrog Group

1150 17<sup>th</sup> Street NW Ste. 600

Washington, DC 20036

202-292-6713

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

# Leapfrog: Market rules applied to health care

**Transparency**

**Good data**

**Customer rewards**



# Our nonprofit community

- Governing members: large and medium self-insured employers, business coalitions (representing 2000+ employers)
- Health industry advisors: hospitals, health plans, other industry experts
- New for 2012: Hospital Advisory Committee

# The Leapfrog Hospital Survey

- In its DNA: the gold standard in transparency
- How patients fare, resources used to care for those patients, management practices to promote safety
- 1250 hospitals voluntarily participate

# Value Based Purchasing

