Health Care Quality Efforts in the U.S. – an Employer's Perspective

Michigan Certificate of Need

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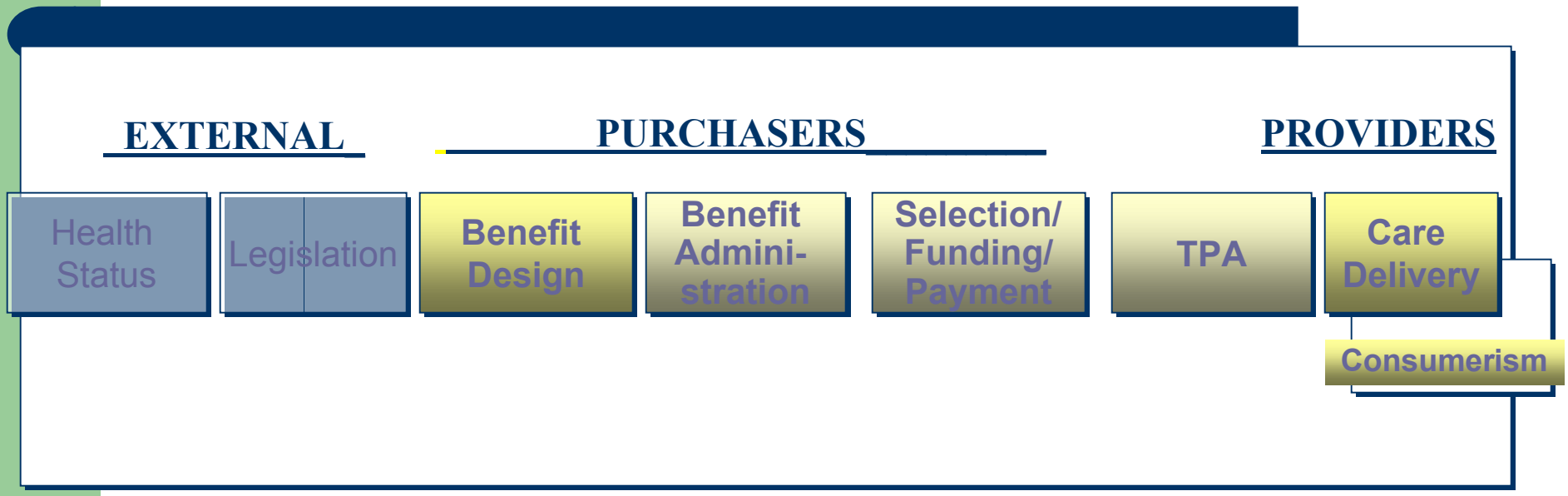
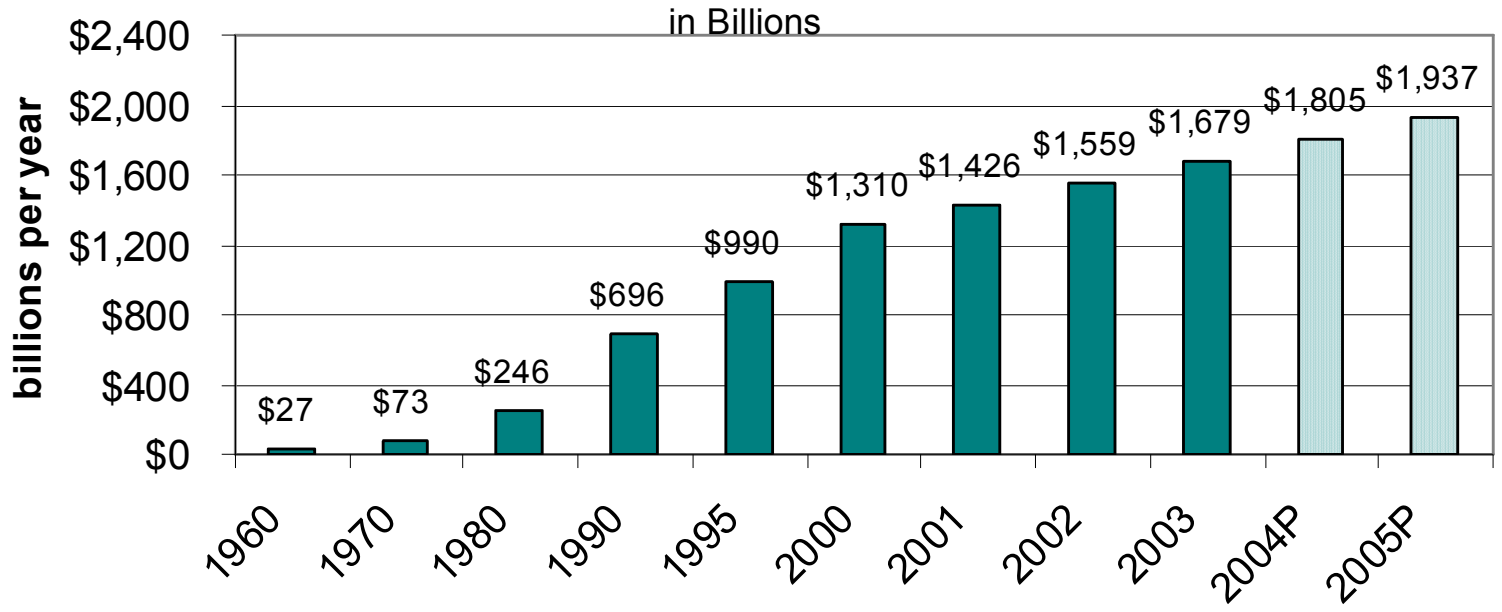
What can employers do?

Health Care Benefits Value Stream



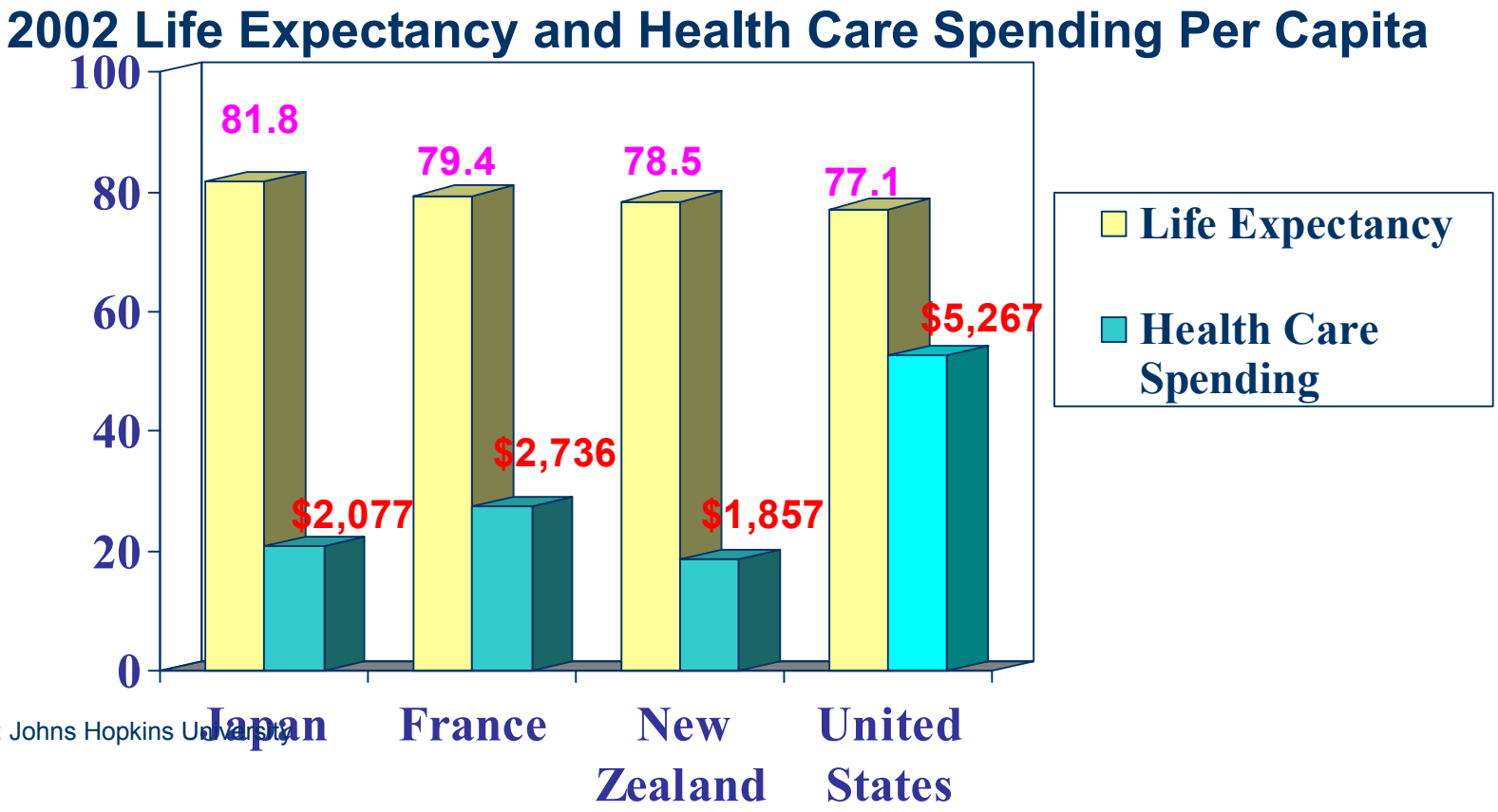
National Health Spending



Note: Selected rather than continuous years of data are shown prior to 2000. Years 2004 forward are CMS projections.

Source: Centers for Medicaid and Medicare Services (CMS), Office of the Actuary.

Myth:
Higher Costs = Higher Quality



Source: Johns Hopkins University

Healthcare Costs are a Challenge for U.S. Companies

- Healthcare costs have risen faster than inflation, 6.5% vs 2.4%, over past ten years.

- Healthcare spending represents 15.3% of U.S. GDP in 2003 and is projected to reach 18.4% in 2013, while vehicle spending remains relatively flat around 3% of U.S. GDP.

- In the last 20 years, spending on prescription drugs has more than doubled.

*Source: Kaiser Family Foundation – Employers Benefits Survey 20034; Centers for Medicare & Medicaid Services, office of the Actuary

Keys to Purchaser Success

- Clear Strategy and Purpose
- A Consistent Voice
- Clear Goals and Metrics
- Act in Concert
- Engage Other Stakeholders
- Align Market Incentives

THELEAPFROGGROUP
Informing Choices. Rewarding Excellence.
Getting Health Care Right.

Leapfrog

- 1999 report by the Institute of Medicine gave the Leapfrog founders an initial focus – reducing preventable medical mistakes. The report found that up to 98,000 Americans die every year from preventable medical errors made in hospitals alone. In fact, there are more deaths in hospitals each year from preventable medical mistakes than there are from vehicle accidents, breast cancer, and AIDS.

Leapfrog

The report actually recommended that large employers provide more market reinforcement for the quality and safety of health care. The Leapfrog Group was officially launched in November 2000. Leapfrog is supported by the BRT, The Robert Wood Johnson Foundation, Leapfrog members and others.

Leapfrog

- In 1998 a group of large employers came together to discuss how they could work together to use the way they purchased health care to have an influence on its quality and affordability. They recognized that there was a dysfunction in the health care market place. Employers were spending billions of dollars on health care for their employees with no way of assessing its quality or comparing health care providers.

The Leapfrog Group

The Leapfrog Group is made up of more than 170 companies and organizations that buy health care. Leapfrog and its members work together to:

- Reduce preventable medical mistakes and improve the quality and affordability of health care.
- Encourage public reporting of health care quality and outcomes so that consumers and purchasing organizations can make more informed health care choices.
- Reward doctors and hospitals for improving the quality, safety and affordability of health care.
- Help consumers reap the benefits of making smart health care decisions.

Leapfrog

Leapfrog members have agreed to base their purchase of health care on principles that encourage provider quality improvement and consumer involvement. Leapfrog's initial three recommended quality and safety practices have the potential to save up to 65,341 lives and prevent up to 907,600 medication errors each year (Birkmeyer, 2004). Implementation could also save up to $41.5 billion annually (Conrad, 2005).

Leapfrog Group

- **Criteria for inclusion**

  (1) There is overwhelming scientific evidence that these quality and safety leaps will significantly reduce preventable medical mistakes.

  (2) Their implementation by the health industry is feasible in the near term.

  (3) Consumers can readily appreciate their value.

  (4) Health plans, purchasers or consumers can easily ascertain their presence or absence in selecting among health care providers. These leaps are a practical first step in using purchasing power to improve hospital safety and quality.

Leapfrog Group – Initial Leaps

- Computer Physician Order Entry (CPOE)
- Evidence-Based Hospital Referral (EHR)
- ICU Physician Staffing (IPS)

Leapfrog Group – Safe Practices Leap

- **The Leapfrog Safe Practices Score - The National Quality Forum's 27 Safe Practices: The National Quality Forum-endorsed 30 Safe Practices cover a range of practices that, if utilized, would reduce the risk of harm in certain processes, systems or environments of care. Included in the 30 practices are the original 3 Leapfrog leaps. For this new leap, added in April 2004, hospitals' progress on the remaining 27 safe practices will be assessed.**

Benefits to Consumers

- Today, you can probably get more information about choosing a TV than choosing a doctor or hospital. Leapfrog is changing that by working to make reporting health care quality and outcomes a routine feature of the US health care system. We provide information on health care quality so that you can compare hospitals, much like Consumer Reports

Leapfrog Group

THE LEAPFROG GROUP

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Leapfrog Hospital Survey Results

Search Results: **Zip:** 48322 **Radius:** 50 Miles
Below are the results of your search. Click on the "leaps" and the circles for more details.

Survey Info | Scoring Info | Start Over

Click to Compare	Hospital Name	City	Leap1	Leap2	Leap3						Leap4	Results Submitted
			CPOE	ICU	High Risk Treatments						Safe Practices Score	
☑	Henry Ford Bi-county Hospital	Warren, MI	◔	◔	NA	NA	◔	◔	NA	NA	●	9/30/2005
☑	Oakwood Hospital And Medical Center	Dearborn, MI	◔	◔	●	◕	●	●	◕	●	○	10/07/2005
☑	University Of Michigan Hospitals & Health Centers	Ann Arbor, MI	◔	●	◕	◕	◕	●	●	●	●	9/30/2005

Leapfrog Group

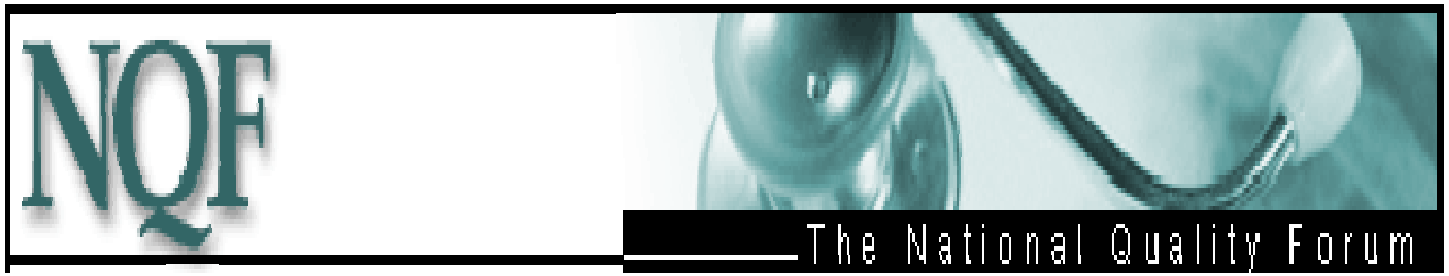
What do the results mean?

- Fully implemented Leapfrog's recommended quality and safety leap.
- Good progress in implementing Leapfrog's recommended quality and safety leap.
- Good early stage effort in implementing Leapfrog's recommended quality and safety leap. Willing to report publicly; did not yet meet Leapfrog's criteria for a good early stage effort.
- Did not disclose this information.
- NA Not Applicable - e.g. Pancreatic resection does not apply because hospital does not perform pancreatic resections.
- NT Not Targeted - Leapfrog members did not request the hospital's response to these questions but the hospital has voluntarily participated in other sections of the survey.

Leapfrog Group

- **Leapfrog's member companies agree to adhere to the following four purchasing principles in buying health care for their enrollees:**

  1) Educating and informing enrollees about the safety, quality and affordability of health care and the importance of comparing the care health care providers give. Initial emphasis on the Leapfrog safety and quality practices.
  2) Recognizing and rewarding health care providers for major advances in the safety, quality and affordability of their care.
  3) Holding health plans accountable for implementing the Leapfrog purchasing principles.
  4) Building the support of benefits consultants and brokers to use and advocate for the Leapfrog purchasing principles with all of their clients.


NQF
The National Quality Forum

National Quality Forum

- In a report issued in 1998, the President's Advisory Commission on Consumer Protection and Quality in the Health Care Industry proposed creation of the Forum as part of an integrated national quality improvement agenda.

National Quality Forum

- The National Quality Forum is a private, not-for-profit membership organization created to develop and implement a national strategy for healthcare quality measurement and reporting. ***The mission of the NQF is to improve American healthcare through endorsement of consensus-based national standards for measurement and public reporting of healthcare performance data that provide meaningful information about whether care is safe, timely, beneficial, patient-centered, equitable and efficient***

National Quality Forum

- Established as a public-private partnership, the NQF has broad participation from all parts of the health care system

- Together, the organizational members of the NQF will work to promote a common approach to measuring health care quality and fostering system-wide capacity for quality improvement.

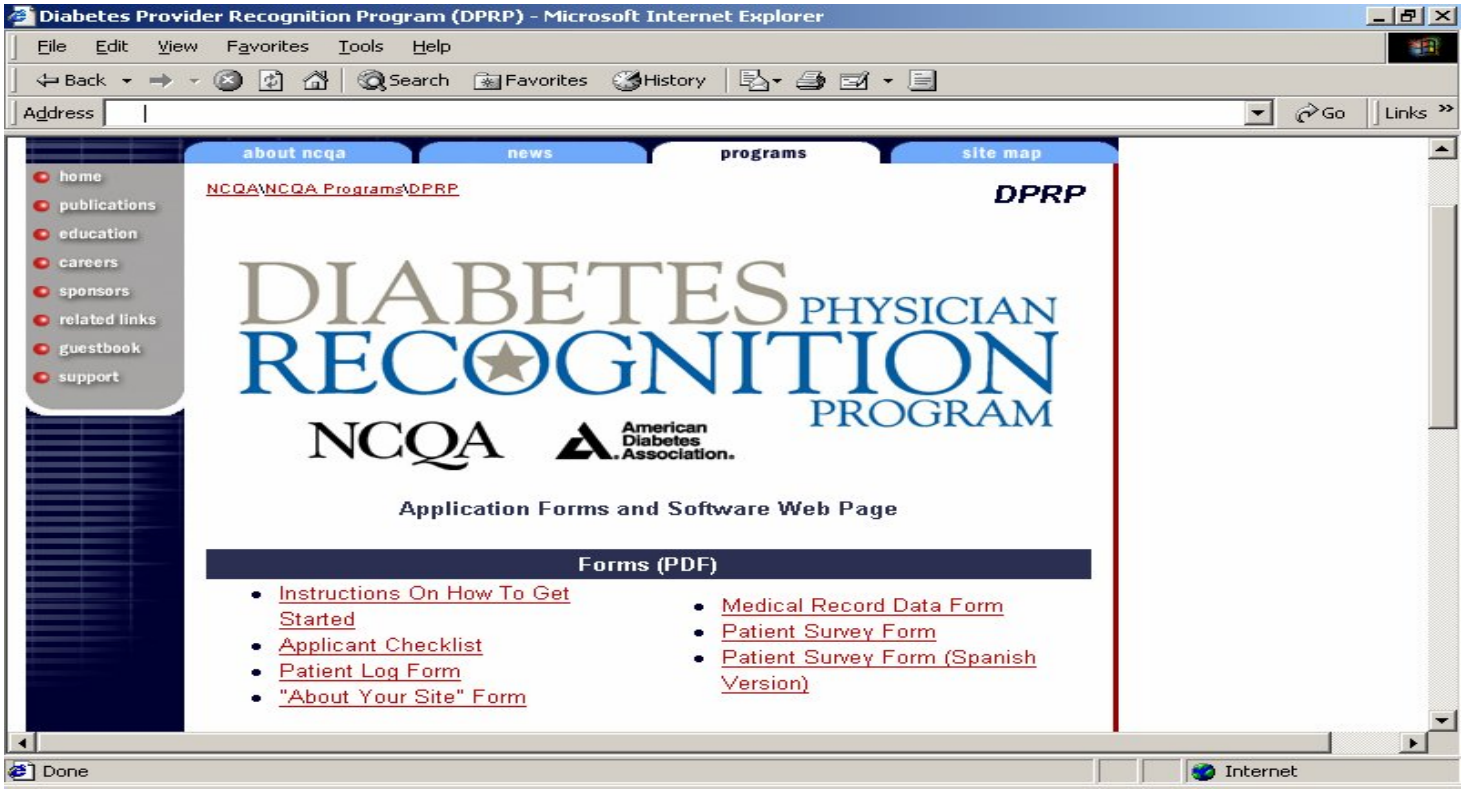
National Quality Forum

- NQF recently released a nationally standardized survey for measuring how patients perceive the care they receive in hospitals. The survey, commonly known as Hospital CAHPS® or HCAHPS® (pronounced "H-caps"), will tell hospital managers and caregivers, among others, what patients think of their hospital care.

Other National Quality Efforts

- Bridges to Excellence
- Improving Diabetes Care in Communities Collaborative

Using Provider *and* Patient Incentives



Certificate of Need in Michigan
What is Certificate of Need?

Certificate of Need is a state regulatory program intended to balance cost, quality and access issues and ensure that only needed services and facilities are developed in Michigan.

Program was enacted in 1972 and is administered by the Michigan Department of Community Health (MDCH)

Certificate of Need in Michigan
Certificate of Need Objectives

- Providing a cost-control mechanism to address overbedding and the oversupply of health care services and facilities.
- Promoting access to certain health services and facilities for all residents, particularly in rural areas and for the medically indigent.
- Promoting quality services by requiring compliance with standards developed by health experts.
- Providing a forum for public input and community involvement prior to the development of facilities and services.

Certificate of Need in Michigan

In Brief:

Michigan is one of 36 states with a Certificate of Need (CON) program

A CON is required when a provider begins, upgraded, expands, relocates or acquires a covered health service or entity

Capital expenditure projects that involve a health facility require a CON. The capital expenditure thresholds are indexed annually by MDCH based on the Consumer Price Index

Certificate of Need in Michigan

In Brief, con'd:

- The Michigan CON is administered by the Department of Community Health
- No analysis is available that clearly identifies the overall effect of the CON program in Michigan
- Michigan CON is the subject of ongoing debate and adjustments

Certificate of Need in Michigan

- The CON Commission is an eleven-member body, effective April 2003, with the changes established under PA 619 of 2002. Previously, it was a five-member body. The Commission is appointed by the Governor and confirmed by the Senate.

Certificate of Need in Michigan

- The CON Commission develops Review Standards for a limited number of clinical services and health facilities covered by CON. The Commission also has the authority to revise the list of covered clinical services subject to CON review.

Certificate of Need in Michigan
What CON Covers
Clinical Services

- **Heart Care Services**
  - **Cardiac Catheterization**
  - **Angioplasty**
  - **Open Heart Surgery**
- **Transplants**
  - **Organ Transplants**
  - **Bone Marrow Transplant**
  - **Pancreas Transplant**

Certificate of Need in Michigan
What CON Covers
Clinical Services

- **Diagnostic Imaging Equipment**
  - **CT (Computerized Tomography)**
  - **MRI (Magnetic Resonance Imaging)**
  - **PET (Positron Emission Tomography)**
  - **NICU (Neonatal Intensive Care Units)**
  - **Partial-Day Hospital Psychiatric Programs**
  - **MRT (Megavoltage Radiation Therapy)**
  - **Lithotripsy**
  - **Air Ambulance**

Certificate of Need in Michigan
What CON Covers
Facilities

- **Surgical Services**
- **Acute Care Hospitals and Beds**
  - **Additional beds**
  - **New Hospitals**
- **Psychiatric Hospitals and Beds**
  - **Additional beds**
  - **New Hospitals**

Certificate of Need in Michigan
What CON Covers
Facilities

- **Long-term Care Hospitals and Beds**
  - **Additional beds**
  - **New facilities**
  - **Special Populations**

Certificate of Need in Michigan

- The Commission's proposed standards are subject to veto by the Governor or Legislature. Standards are revised periodically, starting with recommendations from Standard Advisory Committees, comprised of health professional experts, providers, consumers, payers, & purchasers

Certificate of Need in Michigan

- Pursuant to PA 619 of 2002, effective March 31, 2003, Standards Advisory Committees ("SAC") may be appointed by and report to the CON Commission. The SACs advise the Commission regarding creation of, or revisions to, the standards. The committees are composed of a 2/3 majority of experts in the subject matter and include representatives of organizations of health-care providers, professionals, purchasers, consumers, and payers

Certificate of Need in Michigan Debate and Discussion

- 2002 Auditor General's Report Findings and Follow-up
- CON Evaluation Report
- Economic Alliance
- The Michigan Certificate of Need Program Report

Q & A Discussion