



THE LEAPFROG GROUP

Informing Choices. Rewarding Excellence.
Getting Health Care Right.

Leapfrog Hospital Rewards Program™

Case Study II: New York, Capital District

Mark Russo

February 2006

Overview

- Background
 - History and Stakeholders
 - Market Makeup
- Market Strategy
- Challenges Faced

Market Success Factors

- Critical mass of employer participation (covered lives) in specific markets
- Active employer and health plan participation in each market
- Market champion – Role for HCM / Business Lead
- High-level of awareness of LHRP and quality improvement goals among provider community
- Engagement of hospitals in market area
- Visibility of program and hospital status to consumers

Upstate New York Regional Landscape

Albany - Schenectady

- 11 Community Hospitals
- 3 large “Leapfrog” regional employers
 - GE
 - Hannaford Brothers
 - Verizon
- 2 Regional Health Plans: Capital District Health Plan and MVP Health Plan
- Over 24 month period employers represent
 - 716 admissions in 5 clinical categories
 - \$3.7MM in spend

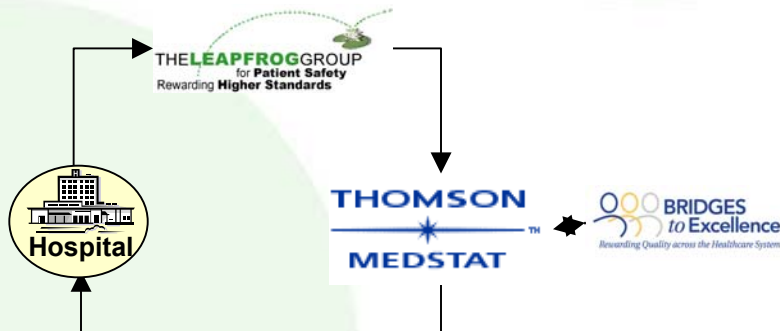
Albany/Sch'dy strategy has followed a measured pace

- Determine the feasibility of Leapfrog Hospital Rewards Program implementation in Capital District
 - Engage Hospitals – all regional hospitals (11) have been informed and educated
 - Engage health plans – Capital District Physicians Health Plan and MVP Health Plan

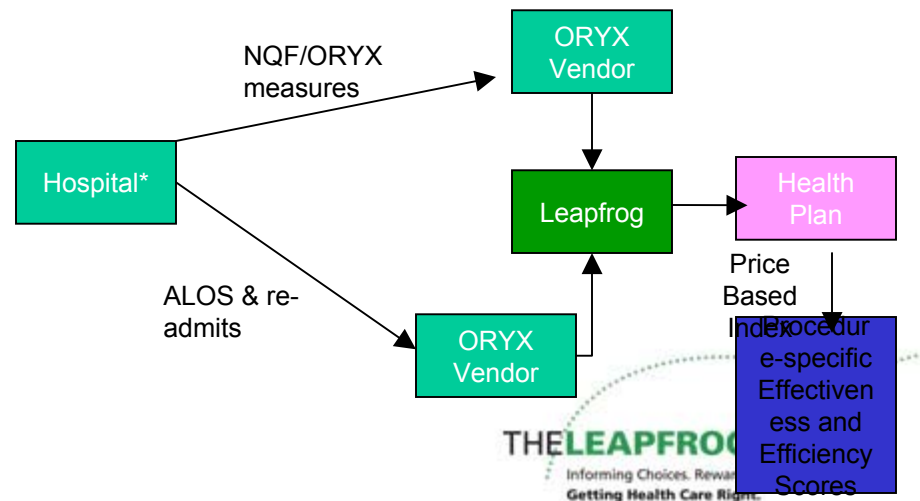
LHRP Market Models

Before an administration model is chosen, interested employers need to explore a savings analysis, leveraging quality and efficiency data sets...

Bridges to Excellence Model



Health Plan Model



Market-specific implementation strategies for purchasers to adopt

- Possible strategies
 - Information only
 - Information & rewards
 - Information & consumer incentives
 - Information, rewards & consumer incentives
- Hannaford
 - information & consumer incentives
- Verizon
 - Information and rewards
- GE
 - TBD – most likely rewards and consumer information

Market Strategy: Hospital Engagement

- Employers required data for feasibility study
 - Determine potential for hospital improvement
 - Determine rewards potential
 - Health Plan assistance to gather data unavailable
- Leverage local Healthcare Champions to coordinate implementation
- Leverage National LF assistance (Measure sets, documentation etc.)

Hospital Engagement

- Introduced LHRP in various direct outreach in late 2004 and throughout 2005
 - Leapfrog hosted webcast Feb / March to formally introduce the Program
 - Program follow-up and toolkit sent to hospital CEOs
 - Commitment Letter – April, 2005
 - Telephonic Outreach
 - Ad hoc meetings (in person)
 - ORYX Vendor outreach and alignment

Hospital Engagement, Continued

- Incentives for participation
 - Ad hoc meetings and telephonic outreach
 - Waived participation fees
 - Data to remain confidential
 - Local Advertisement
 - Publicly available data scoring

Implementation Challenges

- Critical mass of hospital participation
- ORYX Vendor participation
- Rewards not definitive
- Active health plan participation
- Engagement of Hospitals in market area
- Visibility of program and hospital status to consumers