



THE LEAPFROG GROUP

Informing Choices. Rewarding Excellence.
Getting Health Care Right.

Leapfrog Hospital Rewards Program™: Getting Started

Catherine Eikel
Director of Programs
The Leapfrog Group
February 14, 2007

Why participate in the LHRP?

National Annual Benefit if All Hospitals Improve:

Admission Type	Potential for Lives Saved	Potential for Avoided Readmissions	Potential for \$\$ Saved (billions)
AMI	33,832	24,838	\$5.596
CABG	4,089	9,246	\$3.962
PCI	2,800	15,203	\$2.795
CAP	2,673	48,962	\$2.039
Newborn Delivery	12,749	46,674	\$4.142
TOTAL	63,953	144,923	\$18.536

Lives saved total includes 7,810 lives saved from ICU staffing

Why is LHRP ideally suited to accelerate positive change in the health care system?

- Makes it easy for purchasers and payers to engage in value based purchasing: Leapfrog has taken the hard work out of it
- Collaborative model for market-wide implementation
- Collaborative model for rewards:
 - Shared savings
 - Positive ROI built in to the Program
- Flexibility of the program

Getting Started: Assessing the Market

- Partner with The Leapfrog Group to assess your market for LHRP implementation
 - Identify other employers, health plans, and hospitals in the market to partner with or current LHRP markets to join
 - Commercial population and hospitals the Program will cover
 - Current hospital engagement with measurement initiatives
 - Mix of payment methodologies
 - **Opportunity for performance improvement ...**

Estimate opportunity for improvement with Leapfrog's new ROI Estimator

ROI Estimator
Leapfrog Hospital Rewards Program™

Step 1 Background Step 2 Demographics Step 3 Inputs Step 4 Results Step 5 Summary

Welcome

Thank you for your interest in the [Leapfrog Hospital Rewards Program™](#) (LHRP). Employers and health plans participating in the LHRP lead the way in motivating hospitals to deliver high quality, efficient hospital care by rewarding hospitals for improvements and excellence in these areas.

The **LHRP ROI Estimator** is intended for use by employers and health plans interested in implementing the [Leapfrog Hospital Reward Program™](#). This tool can be used to estimate expected costs of program participation and potential financial benefits.

IMPORTANT:

- *The ROI Estimator was developed to provide only an estimation of results; the results generated by the LHRP ROI Estimator are not guaranteed. Actual ROI will vary by participant and is dependent upon many factors in the specific market area. In addition, the ROI Estimator does not incorporate economic benefits from reduced absenteeism and improved productivity at work.*
- *The ROI Estimator is not appropriate in environments in which hospitals are reimbursed on a case-rate or DRG basis. Please contact The Leapfrog Group directly to discuss application of the LHRP in a case rate setting.*

The ROI Estimator is intended to collect data that will help Leapfrog calculate and interpret your expected return on investment for the LHRP. To obtain the results of this calculation, you will need to complete this tool and submit the data to The Leapfrog Group. Leapfrog will contact you soon after you submit your data to review your results with you.

Please note that your session time to the tool and any data you have provided will be lost after 60 minutes of inactivity.

What's the return?

- www.ROIEstimator.com
- Information necessary for using the ROI Estimator:
 - Number of covered lives in region where Program will be implemented
 - Expected annual growth rate for the number of covered lives
 - Geographic area to be covered by the Program
 - Whether the Program will use first year rewards or 50% of projected second year savings

What's the return in *your* market ?:

Assess the value of implementing the LHRP in your market

- Determine your potential financial and clinical savings using Leapfrog's ROI Estimator
- If higher quality and efficiency are attainable, contact Leapfrog to discuss how you can:
 - Engage other employers in the market
 - Engage major payers in the market
 - Engage hospitals, perhaps by building off current public reporting initiatives