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From the Editor

Leapfrogging Quality

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From the Editor

Leapfrogging Quality

What if a half dozen of the nation's largest Fortune 100 companies began working together with other purchasers of health care to send a "much stronger signal" to America's health care industry that big leaps in customer value, patient safety, and quality of medical care will be recognized and rewarded? How would providers of health care respond to this attempt by purchasers to "leapfrog" over our current situation to drive giant gains in the value and safety of American health care? To understand the genesis of just such a group, aptly named The Leapfrog Group, we must go back and ask ourselves, "What has gone wrong in health care and what might be the next evolutionary step?" After all, such venerable firms as General Motors, General Electric, and GTE are calling themselves the Founding Frogs!

Experts such as Dr. Robert Galvin,¹ and others, have documented many of the current employer perspectives regarding the U.S. health care market. Galvin describes failures by HMOs, employers, and providers that have resulted in a gridlock of sorts leading in part to the genesis of The Leapfrog Group. According to Galvin, "HMOs have acted as intermediaries executing employers' desire to increase the value of their health care purchase. Unfortunately, their strategy has delivered only half of what employers wanted. HMOs have exploited the overcapacity in the system but have not fully developed their networks into organized systems of high quality care."

Employers also share some blame for managed care's disappointing results. Again Galvin says, "Rather than developing long term relationships with plans, employers have insisted on immediate results, which has made it difficult for plans to develop long term strategies."¹

He specifically points out that employers' biggest failure is that they have "not addressed the issues of quality and value with their employees. By not successfully engaging workers in issues related to utilization-whether overuse, underuse, or misuse employers have virtually ensured a negative reaction to any restriction of choice."¹

Finally, Galvin contends that physicians have responded to the changing market with resentment and anger. He believes that, "Providers' move to integrated systems and group practice demonstrates some elements of a positive behavior change, most evidence points to a drive for consolidation to better protect their economic position, rather than a focus on efficiencies and the prospect of quality."¹ Obviously, these are provocative positions as outlined by one of the major national leaders in the purchaser community.

Through the work of Galvin, Bruce Bradley from General Motors, and Arnold Milstein from the Pacific Business Group on Health, The Leapfrog Group may emerge from its tadpole early stages and become a force to be reckoned with.

Leapfrog is rooted in five ideas according to the most current information available from Suzanne Delbanco, PhD, the executive director at their Washington, D.C., headquarters.² These ideas include: 1) American health care remains very far below obtainable levels of basic safety and overall customer value; 2) The health industry would improve much more rapidly if purchasers better recognized and rewarded superior safety and overall value; 3) Voluntary commitment to purchasing principles by a critical mass of America's largest employers would provide a large jump-start for encouraging other purchasers to join; 4) Purchasing principles should champion superior overall value and focus specifically on a handful of innovations offering great leaps in basic patient safety to maximize consumer and media support for adoption by other purchasers; and 5) Consumer understanding of and support for safety leaps and other critically needed improvements in health care value are pivotal to the success of The Leapfrog Group.

How then will this tadpole grow its legs and reach a mature stage ready to leap over current problems and achieve its objectives? Interestingly, as an aside, members of the Jefferson Health System may remember that in the past few years speakers at our Center City campus who have delivered the Grandon Lecture, have included such persons as Dr. Mark Smith from the California Foundation, Dr. Woodrow Myers from the Ford Motor Company, and Dr. David Lansky, the president of the Foundation for Accountability. All three speakers over the course of the last few years have foreshadowed many of the themes articulated by Galvin, Bradley, and Milstein.

The mission, then, of The Leapfrog Group is to mobilize employer purchasing power to initiate breakthrough improvements in the safety and overall value of health care to American consumers. Leapfrog's strategy rests on a series of purchasing principles that harness the power of the purchaser. Let me summarize aspects of these purchasing principles before commenting on their potential for success.

The purchasing principles of The Leapfrog Group include aspects of the following. One, the use of comparative rating, where purchasers will aggregate available validated performance information on their major providers of health care into comparative value ratings for their employees irrespective of the associated insurance mechanism. The Leapfrog rationale behind this first purchasing principle is that ratings of comparative value will demonstrate clearly to the industry how variations in performance cause the variations in comparative value and customer's perception. These themes have been specifically addressed in this column previously (Report on report cards, May 1998, Vol 11, #2).

The second major purchasing principle calls upon purchasers to educate employees about the importance of comparing the performance of health care providers and actively assist them in understanding how to use such measures to make informed health care choices. The rationale for this behavior is that employees and consumers are essential in making important improvements in the health care system. Their behavior can send powerful signals to the marketplace about the value patients place on better care. Again, these principles have been specifically addressed in this column as well (Consumerism in health care, Sept 1998, Vol 11, #3).

On the innovative front, The Leapfrog Group calls for the use of substantial incentives to drive purchaser behavior including a commitment on the part of purchasers to use two or more methods to reward delivery systems with higher value ratings. It appears to me as though a central plank of The Leapfrog Group agenda is to provide sufficient motivation to purchasers enabling them to drive their

business to the best performing provider organization. They call for support of consumer selection of higher value providers via one of the following methods: a) Promotion through Blue Ribbon designation, selection, or deselection of plans, and enrollment freezes; b) Consumer economic incentives such as varying consumer out-of-pocket costs; and c) Consumer decision support such as the availability and accessibility of understandable performance comparisons. The Leapfrog Group wants to vary the prices paid to providers based on comparative value and publicly recognize and disseminate this information regarding superior performers. In a word, the purchasers want to "put their money where their mouth is" and give their business to provider groups who obtain better outcomes at a more competitive price!

On a more controversial note, The Leapfrog Group explicitly calls for safety leaps for the managed care plans with which they contract as well as provider organizations. These safety leaps include such concepts as the requirement that contracted hospitals, in particular, purchase and implement computer physician order entry systems in order to decrease the number of adverse drug events. They have proffered a timeline for such implementation.

In addition, The Leapfrog Group calls for what they describe as evidence-based hospital referrals or EBH. This evidence-based hospital referral system means that elective treatment should be guided by providers to hospitals and clinical teams that meet certain credentialing criteria such as a minimum volume threshold for open heart surgery, and the like. They have an explicit timetable for the implementation of such an EBH system. Finally, they call upon hospitals to immediately implement full-time physician leadership in the Intensive Care Unit setting by citing the 15 years of research supporting the fact that a so-called Closed ICU Physician Staffing Model indicates that the risk of death could be reduced by more than ten percent.

So, can The Leapfrog Group leapfrog quality? They have ambitious plans for the fall of 2000 including a National Employer Summit in Washington, D.C. to introduce these leapfrog concepts to their proposed constituents and a National Education Program to reach out to employees of these large organizations to empower them to become savvier shoppers for healthcare. If one thinks for a moment about the combination of these Fortune 100 companies linked together with the power of the Internet, it is a compelling picture in my opinion. Instead of a basic *U.S. News and World Report* ranking, we may one day be staring at a Leapfrog Group representative hopping around in our hospital lobby demanding answers to some very provocative questions.

To learn more about The Leapfrog Group visit their website at www.leapfroggroup.org. As usual, I am interested in your views. You can contact me at my email address david.nash@mail.tju.edu.

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