Minutes
Initiation Work Group, HSCRC
Monday, Sept 12 2005
8:30 -10:15 am
Room 100, 4160 Patterson Avenue
Baltimore, MD 21215

IWG Members Present: Dr. Trudy Hall, Chair and HSCRC Commissioner; Ms. Barbara Epke, Lifebridge Health and Sinai Hospital; Dr. Linda Hickman, Chester River Hospital Center; Ms. Renee Webster, Office of Health Care Quality; Ms. Barbara Hirsch, Kaiser Foundation of the Mid-Atlantic States; HSCRC Staff: Mr. Robert Murray, Mr. Steve Ports and Ms. Marva West Tan. On conference call: Ms. Marybeth Farquhar, AHRQ; Mr. Joseph Smith, MedStar-Union Memorial Hospital; Dr. Maulik Joshi, Delmarva Foundation, Dr. Kathryn Montgomery, University of Maryland School of Nursing; Dr. Charles Reuland, Johns Hopkins Medicine; Dr. Jon Shematek, CareFirst BlueCross BlueShield; Dr. Donald Steinwachs, Johns Hopkins Bloomberg School of Public Health; Guest Speaker: Ms. Catherine Eikel, The Leapfrog Group

Interested Parties Present: Mr. Don Hillier, Past Commission Chair; Ms. Katherine Hax, Kaiser Permanente; Ms. Ing-Jye Cheng; MHA, Dr. Joe Berman, Office of Health Care Quality, Mr. Stan Lustman, Office of the Attorney General; Ms. Charlotte Thompson, HSCRC: Ms. Lekisha Daniel, CMS (on conference call); Ms. Kristen Geissler, Mercy Medical Center; Mr. John O'Brien, Center for Health Program Development and Management, University of Maryland, Baltimore County; MHCC Staff: Mr. Bruce Kozlowski, Mr. Rod Taylor, Ms. Joyce Burton, Ms. Carol Christmyer, Ms. Deborah Rajca.,

1. Welcome and Approval of Minutes- Dr. Hall welcomed the Work Group. The minutes from the August 8, 2005 meeting were approved with correction of the date.
2. Recap of Last Meeting – Ms. Tan noted that, at the prior meeting, Dr. Rapp of CMS provided a review of the Medicare diagnosis-related Core Measures which serve as the basis for the largest pay-for-performance program nationally under the Medicare Modernization Act as well as a basis for the large national Premier/Medicare pay-for-performance three-year demonstration project. At this meeting, we will hear from The Leapfrog Group, whose Hospital Survey based on National Quality Forum (NQF) patient safety measures, is the other current main source of measures for local and regional hospital-focused pay-for-performance programs organized by business groups, insurers and health plans. Ms. Tan introduced Ms. Catherine Eikel, Director, Leapfrog Hospital Rewards Program, The Leapfrog Group.
3. Guest Speaker- Ms. Catherine Eikel presented a description, characteristics and background development issues related to the Leapfrog Hospital Survey and Leapfrog's new proprietary Hospital Rewards pay for performance program (Please refer to attached copies of slides for content of presentation.) Ms. Eikel also noted that Leapfrog had an online compendium of pay-for performance programs including about 20 regional and local hospital-based programs that utilized the Leapfrog Hospital Survey as part of their measures. There was a lively discussion of both programs and several questions from the Work Group.

   Leapfrog Hospital Survey Program Questions and Answers
   One question related to the amount of time it takes hospital staff to complete the lengthy survey form (approximately 100 Pages) for the Leapfrog Hospital Survey. Ms. Eikel said that hospital staffs relate that completion takes up to three days to gather data and a few more hours to input data into the online survey. Ms. Epke noted that even though Johns Hopkins Hospital is the only Maryland hospital currently doing public reporting on the Leapfrog Hospital Survey Web site, that she felt that most Maryland hospitals were using the survey internally as a tool for quality improvement/patient safety activities. A couple other Maryland hospitals formerly participated but if the hospital does not update data in the newer versions

of the Survey, then they are dropped from the online reporting process. The requirement for implementing CPOE is one of the most daunting "Leaps," particularly for smaller hospitals, due to the costs, need for process improvements, and logistics of implementation. Ms. Epke noted that Sinai is in the process of a multi-year implementation of CPOE. Ms. Epke noted another issue is that the survey measures intent and leadership accountability. Also, there is an institutional concern about payers and purchasers making decisions based on a survey containing measures which may be somewhat subjective. Ms. Hirsch noted that while purchasers may be requesting these Leapfrog data, health plans are put in an awkward position of how much to press hospitals to participate, particularly regarding items such as implementing CPOE. Ms. Hirsch also noted that on the hospital side, that quality improvement and patient safety staff may not have a good appreciation of how the incentive programs are linked to the measurement programs. The lesson for any HSCRC quality-based reimbursement program, according to Ms. Hirsh, is that the roll-out must include education and engagement of top level health systems leaders. Ms. Eikel noted that an advantage of the formal Regional Roll-out groups is that the purchasers, large employers and payers have an opportunity to demonstrate to health systems that they want to see these quality and safety data. This is an incentive to participate even before any discussion of pay-for-performance. (Maryland does not currently have a formal Leapfrog Regional Roll-out group.)

Dr. Hall asked, in those states with formal Regional Roll-out Groups, has there been any comparison of the compliance of large versus small institutions, given that small institutions have fewer resources. Ms. Eikel said that in Version 1 and 2 of the survey, the majority of participating hospitals were urban and medium sized (100-300 beds) or large (over 300) beds. Rural hospitals were not included until Version Three of the Survey, released in April 2005, and these data have not been analyzed yet.

In response to another question, Ms. Eikel noted that the Leapfrog Survey is run continuously online with hospital submitted data updated monthly and the Survey measures and definitions updated every 12-18 months depending on when NQF, CMS or JCAHO issue updates or additions to their measures. Mr. Murray asked about the audit process. Ms. Eikel said that currently there is no formal audit process although, within the regional roll-out groups, purchaser members may do some informal cross check of data submitted to identify any incongruities with the hospitals' actual service lines. Leapfrog has held some discussions with JCAHO about linking into the JCAHO audit process. Ms. Epke noted that since JCAHO is implementing its annual periodic performance review process (PPR), this will be another cross check on compliance with standards and measures and may present an opportunity for some meshing with Leapfrog's program.

Leapfrog's Hospital Rewards Questions and Answers

Following Ms. Eikel's presentation of Leapfrog's proprietary pay-for-performance Hospital Rewards program based on quality and efficiency measures for five diagnostic areas, there was considerable Work Group discussion and questions.

One question related to the 14th slide titled "Focused Clinical Areas Were Chosen to Maximize Commercial Employer Impact " (See attached copy of slides.) regarding what do the numbers in the "Total Potential Opportunity" column represent. Ms. Eikel said that the "Total Payments" numbers in slide reflected total costs for the diagnoses from the Premier data base and then a calculation was conducted to determine how much these costs were inflated by preventable readmissions. The "Total Potential Opportunity" column represents potential savings opportunities based on estimated quality improvement and reduction of preventable readmissions. The savings are meant to finance the rewards and incentives part of the program through cost sharing back to the institutions.

Ms. Eikel noted that the efficiency measure part of the program had gone through many iterations and now was expressed as a resource index which was the average LOS divided by average care and special care days, severity adjusted, and inflated by a readmission rate to the same hospital within 14 days. Mr. Ports asked if they had tried to track readmission to any facility. Ms. Eikel said that they rely on hospital self-reported data and hospitals do not know about readmissions to other facilities. Dr. Hall asked if 14 days is too long a period and may reflect patient compliance or other issues. Ms. Eikel said that their expert group had considered 7 or 10 days but decided on 14 days. Ms. Epke asked how severity adjustment was done. Ms. Eikel noted that the best description of the severity adjustment methodology is on the Leapfrog Website.
(See www.leapfroggroup.org – click on Hospital Rewards Program, select Program Details, select Measuring Hospital Performance, scroll down to severity-adjustment algorithm or severity-adjustment models.)

Mr. Murray asked how often Hospital Rewards data are collected. Ms. Eikel said that data are collected every six months so data is fairly current with rewards based on current data. Regarding data reporting, the program relies on data from hospital JCAHO Core Measure vendors and Leapfrog Hospital Survey results. There was a question about the business case for this program. Ms. Eikel noted that the program was very new but that Leapfrog had taken some hospital historic data and run it through its return on investment calculator to show what a hospital could have saved.

The Work Group was interested in the 17th slide with the scattergram, "Hospitals arrayed in four performance groups: quality + efficiency" and the description of how the savings opportunity provided the money for rewards paid out on a cost-sharing basis. Mr. Ports asked how the decision was made regarding who got the rewards. Ms. Eikel noted that hospitals were rated first on quality, secondly on efficiency and the top quartile in both quality and efficiency received the rewards, and the other performance groups were calculated based on that top quartile. Ms. Epke asked how Leapfrog waded through all of the available measures to make their selection. Ms. Eikel said that Leapfrog selected measures that were already approved by national groups. Dr. Hall thanked Ms. Eikel for her presentation.

4. Other Measures – Dr. Hall asked if the Work Group wished to hear from any other group about their measures. Ms. Tan noted, in reviewing the Medicare Core Measures and the Leapfrog Hospital Survey patient safety measures, that the Work Group had reviewed the measures used by the bulk of hospital-focused pay-for-performance programs nationally. There are a few other measures which are used by some programs such as the Institute for Safe Medication Practices Self Assessment and some relatively unsophisticated programs use some structural measures such as JCAHO accreditation. The meeting was adjourned.

Next Meeting- The fifth meeting of the Initiation Work Group will be Friday, October 21, from 8:30 am -10 am at HSCRC, 4160 Patterson Avenue, Baltimore, MD 21215 in Meeting Room 100.