



Midwest Business Group on Health
The Source for Leading Health Benefits Professionals

Health Care, Quality and Patient Safety from the Employer Perspective

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Midwest Business Group on Health



- MBGH is a Chicago-based, coalition of employers working to improve the quality and cost-effectiveness of health care for purchasers and the health status of their constituents
- Founded in 1980, membership is composed primarily of employer HR/benefit professionals, but also includes hospitals, health plans, pharma, wellness vendors, consultants and professional associations
- 130 Members cover over 4 million lives, spend >\$4.5 billion on health care
- Offers education, networking, benchmarking, group purchasing, research and advocacy on “Purchaser’s Perspective”

MBGH Membership



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National Association of Worksite Health Centers



- The nation's only non-profit association supporting employer and union sponsors of onsite, near-site, mobile health, pharmacy, fitness and wellness centers
- Assisting employers in developing and expanding the capabilities of onsite centers into primary care and wellness centers
- Offering educational programs, networking, benchmarking and advocacy for the worksite health center employer and vendor communities
- Website offers NAWHC membership information and resource materials on worksite health and fitness centers, on-site pharmacies and wellness centers
- www.nawhc.org -- NAWHC LinkedIn Group
- September 7, 2017, NAWHC 5th Annual Forum: *Increasing Utilization and Services at Worksite Health and Wellness Centers*, Chicago, Illinois

Why are employers still offering health care benefits?



- To recruit and retain talent
- Health benefits are a key factor in impact on bottom line
- To increase productivity
- To incentivize workers and providers do not leave
- To reduce lost work time due to illness and easily accessible services
- To address the increasing number of populations with chronic conditions
- To reduce and prevent injuries and accidents due to illness and behavioral health issues

The existence or repeal of the ACA does not change any of the reasons employers offer health care benefits



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Employer Views Related to Health, Health Benefits and the Health Care Marketplace

External challenges for employers

- Competing on a global market against non-US employers who don't have to add the expenses of health benefits to their product/services
- Ensuring workers have access to primary care services
- Working with a health system that historically has been inefficient, fragmented, and not paid for quality, but for volume
- Recognizing that costs and quality vary widely, even within the same health system, hospital and medical group
- Viewing a lack of coordination and integration of services, causing confusion, higher costs, poorer outcomes and more time away from work
- Relying on health plans as their agents, in obtaining better services, quality and data from physicians and hospitals

Internal challenges for employers

- Addressing chronic disease: 80% of health benefit costs
- Managing specialty drugs: projected to represent 50% of drug spend
- Preventing illness and reducing risk factors
- Motivating workers to make better elective health care choices
- Helping people understand and navigate the health care market
- Providing access to primary care and ancillary services
- Reducing health benefit costs and facing a 2020, ACA 40% excise “Cadillac” tax on benefits above the designated cost levels
- Obtaining and understanding the data on their medical cost

Employers see challenges with the changes in the health care landscape



- Merger of hospital systems, ACOs and Medical Homes offer promise of collaboration and integration of care, but...
 - These seem limited to only larger organization; and
 - There's a fear these may lead to consolidation in health care market, leading to less competition and higher costs
- With more people covered, access to care is more difficult, so onsite and retail clinics are developing rapidly to offer primary and acute care, but..
 - There is a concern that these are disconnected from patients' physicians
 - These could lead to further fragmentation of health care
- There's increased technology, new models of health care and more use of mobile apps, but...
 - People are confused by the complexity and new players in the health market, feel disconnected and face health and benefit literacy issues

Employers currently provide array of health services to workers and serve as a key component of the public health system

- Treatment of Injuries
 - First aid
 - Acute/urgent care
- Occupational health
 - OSHA exams, drug testing
 - Physicals/RTW
 - Travel medicine
 - Disability mgmt
- Identification of risks
 - Health risk assessment/screenings
- Prevention of illness
 - Immunizations
- Health and Benefits Education
 - “Lunch and Learn”/health fairs
 - Online health portal
- Chronic Disease Mgmt
 - Health/disease mgmt coaching
 - Case mgmt
- Worksite Wellness Programs
 - Weight management/coaching
 - Fitness programs/challenges
 - Incentive-based activities
 - Smoking/tobacco cessation
 - EAP/lifestyle coaching/stress mgmt
- Primary care/care coordination
 - Health advocacy
 - Telehealth
- Ancillary Services
 - Pharmacy services
 - Lab/x-ray services
 - Physical therapy
 - Vision services
 - Dental services
 - Chiropractic services
 - Massage therapy
 - Acupuncture

Hospitals and physicians need to understand the employer's role as the “Purchaser” in the health care marketplace



- The health care market needs to recognize that employers, as “Purchasers”:
 - Pay the “Payers”
 - Design the benefits – what’s covered, the limitations on coverage and the incentives to direct and motivate decision-making
 - Determine the coverage and network options
 - Select the vendors, services and drugs to be covered
 - Value productivity, and need people seeking care back at work as soon as possible
- Providers who want to retain and grow their business to need to understand employer motivations and challenges

Employers are concerned about safety, overuse and unnecessary care



- In 1999, the Institute of Medicine's [*To Err Is Human*](#) reported that 98,000 people were dying every year from preventable errors in hospitals
 - At that time it was said this was analogous to three 747s crashing at O'Hare every day
- MBGH's own *Cost of Poor Quality* Report found 30% of the health care benefit dollars are spent on poor quality care - \$390 billion annually
- A 2012 JAMA study found that employers paid \$39,000 extra every time an employee suffered a surgical site infection
- In 2016, Johns Hopkins University researchers analyzed eight years of U.S. data and concluded that more than 250,000 people died each year due to medical errors, making errors the third leading cause of death in the US, dwarfing auto accidents, diabetes and everything else besides Cancer and heart disease

Not just a purchaser view..

“Serious and widespread quality problems exist throughout American medicine. These problems....occur in small and large communities alike, in all parts of the country, and with approximately equal frequency in managed care and fee-for-service systems of care. Very large numbers of Americans are harmed as a direct result.”

-Mark Chassin, M.D. and Bob Galvin, M.D.

“The people and communities who depend on health care have a right to know how good that care is. The organizations that arrange and provide that care have a duty to tell them.”

-Don Berwick, M.D.

Preventable deaths and disabilities: “Employerized”



- Preventable deaths per 100,000 per year: 25 - (IOM midpoint estimate)
- General Motors preventable deaths per year: 349 / per day: 1.0
- General Motors preventable disabilities (@ 5x) per year: 1,745 / per day: 5.0
- GM has more people die in hospitals than at the worksite

Employer views on quality and cost



- 60% of employers believe employees would change to better performing providers if they understood how quality varies and affects outcomes
- 70% of employers believe they should not pay hospitals or be billed for services provided due to preventable medical errors or infections, not related to the admission of a patient

Source: MBGH Readiness to Change Survey 2008

It takes work to improve safety, and employers are looking for those hospitals

- In the 18 years since the IOM report, a plethora of research and case studies have emerged with proven strategies for improving hospital safety
- Hospitals that put a priority on safety and use these proven techniques show results, and their patients are safer, while those that minimize the importance of patient safety kill more of their patients
- In a value-based purchasing world, Employers no longer seek to have every hospital or physician in their network, only those that can document they perform above the norm
 - The bell-shaped curve is being halved

Main drivers of Purchasers' focus on quality and safety

- The need to ensure patients get the safest care
- The desire to move to Value-Based Purchasing
 - Narrow and high performance networks
 - Centers of Excellence
 - Paying for performance
 - Steering employees where they can get better outcomes
- The importance of giving workers information to make decisions and select providers
- The focus on reducing the costs of unnecessary, low value care

Employer seek to optimize their use of hospitals and physicians



Use centers of excellence for treatments other than transplants (e.g., major cardiac, orthopedic, gastrointestinal procedures) within the health plan

38

22

Increase or decrease vendor payments based on specific vendor financial performance measures

20

10

Offer high-performance or narrow network(s)

18

20

Adopt new payment methodologies that hold providers accountable for cost of episode of care, replacing fee for service

10

14

Offer centers of excellence on a carved-out basis

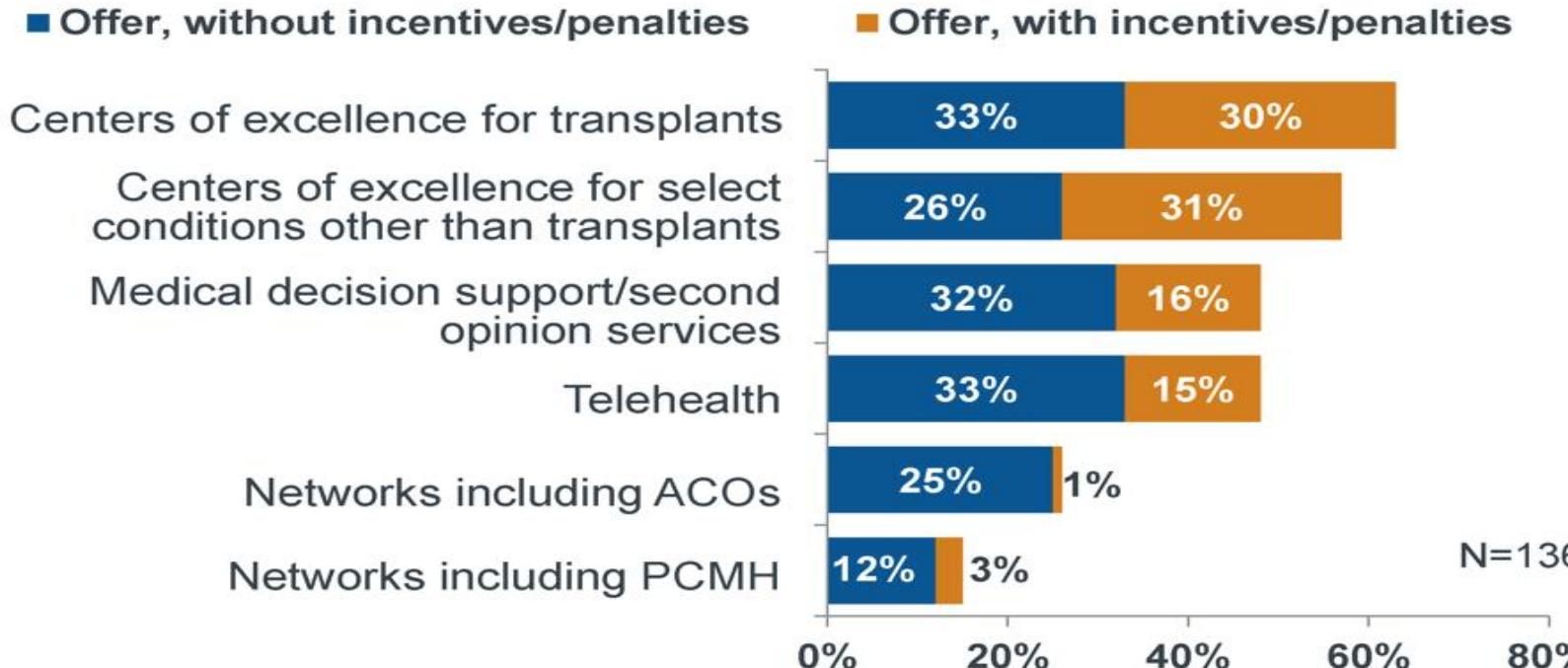
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 In place in 2014

 Planned for 2015

Employers are increasing using incentives to drive utilization



Source: NBGH 2015

With the growth of CDHPs, employers see need to support patient decisions with data



- As employers move to greater use of CDHPs and shifting the clinical and cost decisions to employees, workers need to know:
 - Which doctors and hospitals get good results
 - How providers compare apples-to-apples, regardless of whether service is received in a hospital or ambulatory clinic or within an HMO or ACO
 - What other patients have experienced with providers
 - Where to obtain objective cost and performance information that is relevant, easily accessible, and understandable
 - What they will pay out of pocket and what their benefits cover, not “charges”
- Shining a light on performance brings results
 - It motivates providers who don’t want their revenue or reputation diminished

Employers support the *Choosing Wisely* campaign

- *Choosing Wisely* is an initiative led by ABIM Foundation, national medical specialty societies and Consumer Reports to identify and reduce those tests and procedures not needed by most patients
- What is the purpose:
 - To help physicians and patients engage in conversations about the overuse of tests and procedures and support efforts to help patients make smart and effective care choices
- What is available:
 - Clinical guidelines for *providers* on over 300 overused procedures
 - Materials to help patients make decisions about elective care
 - Website and materials for businesses, waiting rooms, mailings, etc.

Employers see challenges with the changes in the health care landscape

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Purchasers have been and continue to be catalysts for the major changes in health care



The Leapfrog Group	Promoting patient safety in hospitals
Bridges to Excellence	Pioneering pay for performance
Consumer-Purchaser Disclosure Project	Advocating for transparency in provider cost/quality
Midwest Business Group on Health	Promoting consumerism and reducing the cost of poor quality
Catalyst for Payment Reform	Promoting using new payment approaches to improve quality of care and performance
Purchasers Value Network	Facilitating use of alternative payment models
Health Transformation Alliance	Direct contracting with providers, aggregating data
Medicare	Using value-based purchasing, penalizing poor performance
State Medicaid Agencies	Adopting rules to avoid early elective deliveries

Leapfrog: The Purchaser-Driven Movement for Quality and Transparency



- Non-profit, Washington, DC- based, employer-driven organization committed to publicly reporting on hospital quality and safety
- Founded by purchasers in 2000 in response to 1999 IOM Report *To Err is Human*
- National and regional influence
- Used by all national health plans, most public reporting sites

Leapfrog's mission is to trigger giant leaps forward in the safety, quality and affordability of U.S. health care by using transparency to support informed health care decisions and promote high-value care.



Core Leapfrog Programs

25

- MBGH annually invites Illinois hospital CEOs to complete the Leapfrog Patient Safety Hospital Survey
- Results from reporting hospitals are posted on the Leapfrog website for use by patients, purchasers, providers and plans
- Leapfrog awards the *Top Hospital* designation to the high scorers



- Twice a year, Leapfrog uses a composite of recognized national safety measures to grade every hospital in the country with a Hospital Safety Score
- You don't need to complete the Hospital Survey to get an "A"



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The Leapfrog Hospital Survey

Inpatient Care Management

Medication Safety

Maternity Care

High-Risk Surgeries

Infections and Injuries

How to Use This Information

To provide the safest, highest-quality care, hospitals must staff their units with appropriate expertise and have effective policies in place to manage and reduce errors. The biggest impact on patient outcomes comes from a deliberate and hospital-wide commitment to these practices.

Legend



Select up to 3 hospitals to compare:		Steps to Avoid Harm	Never Events Management	Appropriate Use of Antibiotics in Hospitals	Specially trained doctors care for ICU patients	Readmissions for Common Acute Conditions
<input checked="" type="checkbox"/> Remove Comparison		▼ Sort	▼ Sort	▼ Sort	▼ Sort	▼ Sort
<input checked="" type="checkbox"/>	Advocate Illinois Masonic Medical Center Chicago, Illinois MORE DETAILS			DECLINED TO		
<input checked="" type="checkbox"/>	Ann & Robert H. Lurie Children's Hospital of Chicago Chicago, Illinois MORE DETAILS					DOES NOT APPLY
<input checked="" type="checkbox"/>	Mercy Hospital and Medical Center Chicago, Illinois MORE DETAILS					

What's in the Leapfrog Hospital Survey



1. Management practices that promote quality and safety
2. Maternity care outcomes
3. High risk procedure outcomes
4. Hospital Acquired Condition Prevalence
5. Medication Safety

#1 VEHICLE FOR HOSPITAL TRANSPARENCY

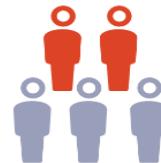
- *NATIONAL Data available nowhere else by hospital*
- *Not in claims*
- *Aligned/endorsed measures*
- *Bricks and mortar reporting*
- *Verified data*



Leapfrog looks beyond claims

COMPUTERIZED CHECKS DO NOT CATCH ALL MEDICATION ERRORS

When hospitals tested their computer systems using orders that all contained potentially harmful, preventable errors, the systems failed to flag the following:



39% of potentially
harmful orders



13% of potentially
fatal orders

Participating in the Leapfrog Hospital Survey benefits hospitals in numerous priority areas

- Compare what is perceived as the patient safety level vs. what outside experts recommend
- Benchmark performance against past experience and peer facilities, locally and nationally
- Receive public recognition, including from purchasers and payers who ask for their participation
- Determine where resources and priorities need to be set and to create a performance improvement plan
- Predict their status in value based purchasing programs (i.e. CMS, health plans, etc.)
- Demonstrate to the community and Purchasers their commitment to safety and transparency

Participation grows each year

- **Nationally**, over 1,850 hospitals participate in the survey which represent 50% of eligible hospitals and about 61% of all hospital beds
- **In Illinois:**
 - 89 out of 175 (**51%**) hospitals participated in the 2016 survey
 - 68% of urban hospitals submitted reports

Illinois' Top Hospitals

- AMITA Health St. Alexius Medical Center
- Ann & Robert Lurie Children's Hospital
- Elmhurst Memorial Hospital
- Northwestern Medicine Delnor Hospital
- OSF St. Joseph Medical Center
- Presence Saints Mary & Elizabeth Medical Center
- Richland Memorial Hospital
- Rush-Copley Medical Center
- Rush Oak Park Hospital
- University of Chicago Medical Center

How Illinois hospitals stack up

Measures	Illinois Percentage	National Average
Early Elective Deliveries	1.9%	1.9%
Cesarean Sections	22.5%	25.8%
Never Events Policies	82.35%	80.89%

Leapfrog Hospital Safety Grade



[Home](#) || [What is Patient Safety?](#) || [Your Hospital's Safety Grade](#) || [What You Can Do to Stay Safe](#) || [For Hospitals](#) || [Licensure & Permissions](#)

How Safe is Your Hospital?

Search By State Search Recent Searches



The Leapfrog Hospital Safety Grade is a letter grade of A, B, C, D, or F assigned to hospitals based on a composite of 30 measures of safety: injuries, infections, errors



Grade	Illinois Hospitals	U.S. Hospitals
A	38	823
B	34	706
C	37	933
D	4	167
F	0	10

Spring 2017 State Rankings



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Rank	State	Total # of A's	Total # of Hospitals	% A's
1	Maine	11	16	68.8%
2	Hawaii	8	12	66.7%
3	Oregon	19	32	59.4%
4	Wisconsin	33	57	57.9%
5	Idaho	6	11	54.5%
6	North Carolina	43	78	55.1%
7	New Hampshire	7	13	53.8%
8	Massachusetts	31	60	51.7%
9	Virginia	35	70	50.0%
9	Vermont	3	6	50.0%
11	Minnesota	17	36	47.2%
12	Rhode Island	4	9	44.4%
13	Ohio	49	112	43.8%
14	Kansas	14	32	43.8%
14	New Jersey	27	68	39.7%
16	Mississippi	13	33	39.4%
17	Utah	9	23	39.1%
17	South Carolina	18	46	39.1%
19	Texas	81	212	38.2%
20	Missouri	22	59	37.3%
21	Colorado	16	43	37.2%
22	Iowa	11	31	35.5%
23	Illinois	38	113	33.6%
24	South Dakota	3	9	33.3%
25	Michigan	25	79	31.6%

What's Next: Expanded Never Events Policy

Proposed but not scored or reported in 2017



Hospitals to commit to **nine basic acts** if a Never Event does occur:

1. Apologize to the patient and family
2. Waive all costs related to the event and follow-up care
3. Report the event to an external agency
4. Make a copy of this policy available to patients
5. Conduct a root-cause analysis of how and why the event occurred
6. Interview patients and families who are willing and able, to gather evidence for the root cause analysis
7. Inform the patient and family of the action(s) that the hospital will take to prevent future recurrences of similar events based on the findings from the root cause analysis
8. Have a protocol in place to provide support for caregivers involved in never events, and make that protocol known to all caregivers and affiliated clinicians
9. Perform an annual review to ensure compliance with each element of Leapfrog's Never Events Policy for each never event that occurred

What's next: Expanded pediatric reporting

Proposed but not scored or reported in 2017



- There are roughly **6 million hospital stays for children in the U.S. annually**, but little information is publicly available to compare the quality of pediatric care in hospitals.
- Leapfrog added two pediatric-specific measures of care quality to its annual Leapfrog Hospital Survey:
 - CAHPS Child Hospital Survey
 - Pediatric Computer Tomography (CT) Radiation Dose

What's next: More Medication Safety Measures

Proposed but not scored or reported in 2017



- **Medication errors are the most common error made in hospitals**
- Leapfrog medication safety measures include Computerized physician order entry (**CPOE**) and Bar code medication administration (**BCMA**)
- **What's new:**
 - **Medication reconciliation** safe practice has been removed from the Leapfrog Hospital Survey in favor of a new and improved measure that's endorsed by the National Quality Forum (NQF): Number of Unintentional Medication Discrepancies per Patient.
 - The measure focuses on the quality and accuracy of the hospital's medication reconciliation process. The measure is applicable to adult patients only..

What's Next: Surgeon and OR Volume

Proposed but not reported in 2017



Leapfrog's new **surgeon volume measure** looks at minimum hospital and surgeon volume standards for 10 procedures including:

- cardiac surgery
- knee and hip replacement
- bariatric surgery

The new structural measure challenges hospitals and health systems across the country to hold themselves accountable for minimum hospital and surgeon volume standards known to improve the odds of a safer surgery for their patients.

What's Next: Appropriateness

Proposed not scored or reported in 2017



Hospitals are asked about processes they have in place to ensure surgery is only being performed on patients that meet evidence-based, hospital-defined criteria, thereby decreasing the opportunities for inappropriate surgeries and balancing Leapfrog's volume standard.

Other News From Leapfrog

- New Lives and Dollars Lost to Medical Errors Calculator for purchasers (free—try it now): <http://www.leapfroggroup.org/employers-purchasers/lives-dollars-lost-calculator>
- National Health Care Ratings Summit, Washington, DC, December 6-7
- Exploring extending survey to outpatient surgical units and ambulatory surgical centers
- More about Leapfrog:
 - [Facebook: Facebook.com/TheLeapfrogGroup](https://www.facebook.com/TheLeapfrogGroup)
 - [@LeapfrogGroup](https://twitter.com/LeapfrogGroup)
 - www.leapfroggroup.org
 - www.forbes.com/sites/leahbinder/

Employer Tools: *Lives and Dollars*

The Hidden Surcharge for Hospital Errors

- The Leapfrog Group's research has revealed that when employees and dependents are treated in hospitals that have low safety scores, the outcomes are poorer, resulting in additional medical costs and lower productivity
- "The Hidden Surcharge Calculator" helps an employer determine an estimate of the actual costs of errors, accidents and infections in lower performing hospitals
- It looks at the percent of an employer's population's admissions to hospitals with "A," "B," "C," "D" and "F" Hospital Safety Scores for surgeries and intensive care unit stays
- The calculator computes the dollar cost for lost productivity and medical services for those in hospitals
- Finally it provides the hidden surcharge for those receiving care in based on the hospitals in the network with various scores
- It shows the percent of total health care expenses due to the surcharge

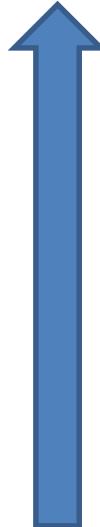
Our recommendations to employers



- Insist that your hospitals make safety a priority, ideally, a No. 1 priority.
- Use the Leapfrog hospital rating system in your transparency tools to select hospitals and its calculator to determine their costs for medical mistakes.
- Encourage employees and dependent to seek care in safe hospitals and compare hospitals scores at www.leapfroggroup.org
- Make financial support for hospitals contingent on progress in patient safety.
- Work with your health plan to craft decision tools and benefits that reward safe providers and penalize those with poor safety records

Types of Leverage

Strength



Exclusion/Inclusion: Steer Choices

Hospitals: Remove facility from a network or preferred list

Consumers: Assign specific, allowable locations, or Center of Excellence



Financial incentives: Consequences

Hospitals: Attach some aspect of payment to safety

Consumers: Attach some aspect of cost-share to safety choices



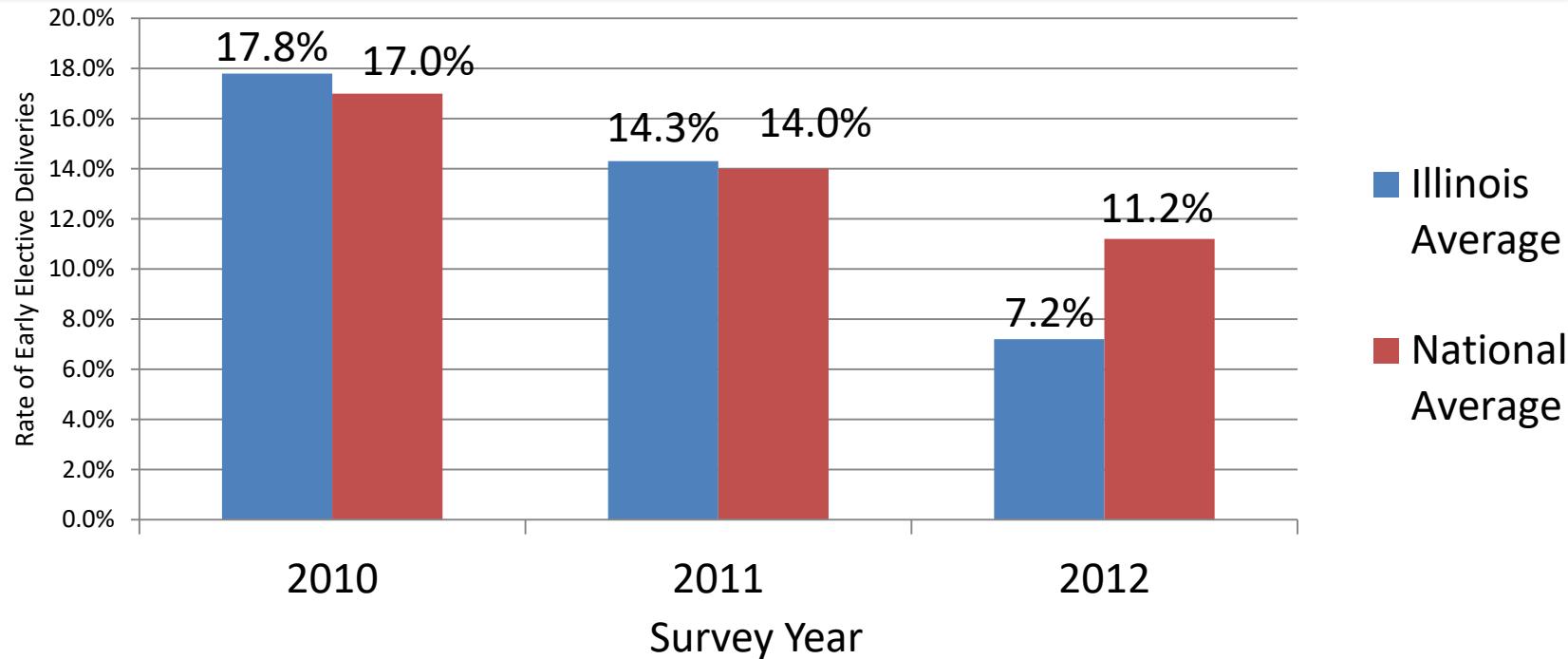
Information: Build Awareness/expectations

Hospitals: Let them know safety is important to buyers.

Consumers: Let them know safety varies, and is critical to health

Measurement & Transparency

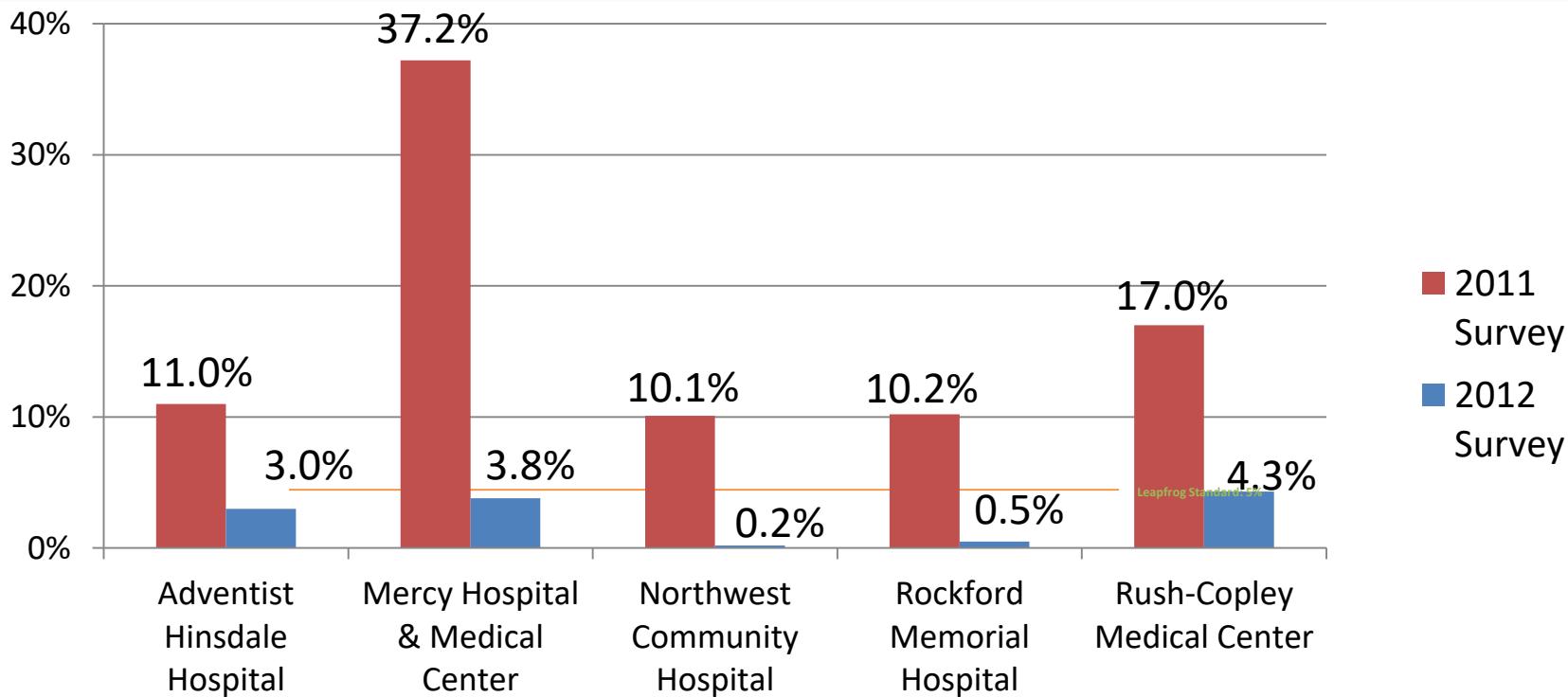
MBGH's Own Focus: Reducing Early Elective Deliveries



Early Elective Deliveries- Examples of Success



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Early Elective Deliveries



- Maternity care can represent as much as 1/3 of an employer's total hospital expenditure
- Early Elective Deliveries are births performed via C-section or induction between 37-39 weeks without a medical necessity
- Early Elective Deliveries contribute to greatly increased risk of complications for mothers and babies and longer hospital stays
 - Both result in increased expense for mothers and employers
- MBGH facilitated a project with IHA, IDPH, March of Dimes, ACOG, IPQC, health plans and community groups that resulted in in Illinois hospitals dramatically lowering their rate of early elective deliveries to 2% and are now well below the national average

Employers, providers and plans must work together to help consumers be better patients



- Physicians are the greatest influence in a person's health decisions
- Health plans are the employers agents, and are seen as responsible for managing the risk of covered populations and have the direct contracts with hospitals and physicians
- Employers have the daily access to employees
 - Patients see physicians 1-2 times a year for 7-12 minutes, but are at work 1000-2000 hours a year and home more, which offer great opportunities to educate, train, motivate and inform people about their health and role as health care consumers
- Consumers seeking care often find the market and their benefits confusing and difficult to manage in the environment we've all created

At the end of the day...

*We need to create a system built on
partnerships, collaboration, accountability,
transparency, engagement, value and knowledge,
and away from
one built on competition, fragmentation, entitlement,
waste and uncertainty*

To learn more about Purchaser issues
and MBGH programs...



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