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FOR IMMEDIATE RELEASE

First-Ever Awards Recognizing Excellence in Incentives and Rewards are Presented by the National Business Coalition on Health and The Leapfrog Group

CHICAGO – July 20, 2006 – To speed the adoption of aligning incentives with provider performance and consumer health care decision-making, The Leapfrog Group and the National Business Coalition on Health (NBCH) announced the presentation of the first annual *Driving Value in Health Care Awards* at their 2nd Annual Incentives and Rewards Workshop today.

The first award – presented to Patient Choice and sponsored by Booz Allen Hamilton – is given to a health plan or health care purchaser that has created an innovative incentive strategy for stimulating better health care decisions on the part of consumers. The second award – presented to Integrated Healthcare Association (IHA) and sponsored by Thomson Medstat – is given to a health plan or health care purchaser that offers financial rewards to physicians or health plans for offering high quality care that is cost effective.

The applications received for the awards represented the full gamut of value-based purchasing initiatives including pay-for-performance programs for hospitals, physicians, and health plans, and consumer incentive programs promoting wellness, prevention, disease management, and appropriate provider and health plan selection. Award applications were scored on criteria including: transparency (the public reporting element of the applicant program), performance measurement composition (measures include those endorsed by national measure-making organizations like the National Quality Forum), incentive or reward methodology (the program includes both financial and non-financial rewards), target reach (those for whom the program is intended are aware of the program and actively participate), and impact (documented savings and quality improvement). Leapfrog and NBCH board members comprised the judging team.

“Since 1997, the Patient Choice program has promoted value-based purchasing by creating a health care marketplace in which providers compete for patient market share based on their performance,” said Ann Robinow, Medical Vice President and General Manager of the Patient Choice business segment. “In this program, information differentiating providers on multiple dimensions of cost, quality and service is made available to consumers along with financial incentives to use better performing providers. Verifiable results show that our program saves money, spurs continuous quality improvements and enhances informed consumer choice.”

Tom Williams, Executive Director for Integrated Healthcare Association noted, “The seven health plans and more than 200 physician groups participating in IHA's Pay for Performance program can be proud of their success in improving health care quality for more than six million

Californians. By collaborating and subordinating their own self-interests, these plans and groups have driven measurable breakthroughs in clinical outcomes, patient experience, and investments in health information technology through incentives and public reporting of physicians' performance."

Patient Choice (www.pchealthcare.com) is a nationally recognized leader in creating value-based health care purchasing programs. Their programs feature unique tiered networks that differentiate physicians, hospitals and other health care providers on measures of quality, cost, and service. IHA (www.iha.org) is a collaborative leadership group of California health plans, medical groups, and health care systems, plus academic, consumer, purchaser, pharmaceutical and new technology representatives. IHA promotes quality improvement, accountability, and affordability for the benefit of all California consumers.

About the National Business Coalition on Health

NBCH is a national, non-profit, membership organization of more than 70 employer-based health care coalitions, representing over 10,000 employers across the United States. NBCH and its members are dedicated to value-based purchasing of health care services through the collective action of public and private purchasers. In developing, identifying and disseminating best practices in value-based purchasing strategies, NBCH seeks to accelerate the nation's progress towards safe, efficient, high quality health care. For more information, call 202-775-9300 or visit www.nbch.org.

About The Leapfrog Group

On behalf of the millions of Americans for whom many of the nation's largest corporations and public agencies buy health benefits, The Leapfrog Group aims to use its members' collective leverage to initiate breakthrough improvements in the safety, quality, and affordability of health care for Americans. It is a voluntary program aimed at mobilizing employer purchasing power to alert America's health industry that big leaps in health care safety, quality and customer value will be recognized and rewarded. The Leapfrog Group was founded in November 2000 by the Business Roundtable and has support from the Robert Wood Johnson Foundation, as well as its members and other funders. For more information, visit www.leapfroggroup.org.

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