



Robert Wood Johnson Foundation

From the Board Chair

Dear Readers:

As our nation's health care and political leaders debate the future of the health care system, the PROMETHEUS Payment® design team, board, pilot sites and collaborative partners continue to work tirelessly to ignite a provider payment revolution. Although real payment change will be daunting, we believe that it is a vital part of a high-quality, efficient and patient-centered health care system.

Over four years since the first seeds of the PROMETHEUS Payment model were sown and just three months into the soft launch of our pilot sites, we are proud to report on the tremendous progress being made in this program. In this, the second quarterly issue of the PROMETHEUS newsletter, you will read about our new collaboration in Utah and several important program resources that are now available for download. These include (1) the first discussion of how scoring will affect payment, (2) a package of analytics for calculating the costs of potentially avoidable complications from chronic conditions and (3) a workbook for physician practices to estimate compensation in a PROMETHEUS world. We also hear from Jim Knutson at Aircraft Gear Corporation in Rockford about the coalition of progress that has driven success in their PROMETHEUS pilot community.

There is no doubt that we face a long road to reform provider payment as a key part of fixing our health care system. But thanks to the hard work of our partners and collaborators, the promise of PROMETHEUS payment is moving ever closer to an achievable reality.

Sincerely,

Alice G. Gosfield, Esq.
Chairman of the Board
PROMETHEUS Payment, Inc.

THE LATEST FROM PROMETHEUS

New PROMETHEUS Collaboration in Utah



In the wake of our efforts with pilot sites in Rockford, Ill. and Minnesota, the PROMETHEUS team is pleased to announce a new, statewide collaboration in Utah. With broad stakeholder involvement and support, our work in Utah will be part of a formal process to create a state payment design model, using best practices from PROMETHEUS and other statewide efforts.

The collaboration is being sponsored by the Utah Chartered Value Exchange (the Utah Partnership for Value-Driven Health Care) at the request of the Utah Speaker of the House. With a goal of implementation by year's end, stay tuned for a lot of exciting payment reform activity in the Beehive state this year.

Potentially Avoidable Complications Calculations Package Available

When all too common deficiencies occur which cause harm in inpatient or outpatient care (such as when a patient whose hypertension is not well managed suffers a stroke) the PROMETHEUS Payment Evidence-informed Case Rates (ECRs) classifies these deficiencies as potentially avoidable complications.

Calculated separately from the "typical" costs of an episode of care (consistent with what evidence suggests is good practice) and adjustable for severity of treating sicker patients, accounting for the costs of potentially avoidable complications allow PROMETHEUS ECRs to provide a comprehensive dollar amount for the care of a specific patient.

As part of PROMETHEUS Payment's commitment to full transparency, a package of analytics and associated codes for the chronic care ECRs is now available on our website. Health systems, health plans, employers, and the public sector can use this package to calculate the rate and dollar amounts that these deficiencies cost in their respective populations.

To download the package visit: <http://www.prometheuspayment.org/playbook/chronic/calculate-chronic-care-ECRs.htm>

Medical Home Workbook for Calculating Payments Available

A lot of megabytes have been used in recent years to advocate for the “medical home” as a concept to reinvigorate primary care in America. Most payment models proposed to sustain medical homes include some fixed payments to cover infrastructure and care management costs, normal fee-for-service payments, and additional quality of care incentives.

These are all payment elements already baked into the PROMETHEUS Payment Chronic Care Evidence-informed Case Rates (ECRs). Recognizing the potential opportunity for PROMETHEUS Payment to power the medical home, the design team has created a new workbook to help physician practices estimate their total compensation based on the PROMETHEUS ECRs, and to compare those amounts to what they would receive under the traditional fee-for-service payments.

Perhaps most importantly, this workbook quantitatively demonstrates – to payers and providers – how the incentives and rewards to reduce potentially avoidable complications built into the PROMETHEUS ECRs will result in a far more sustainable model than others for financing the medical home.

To download the workbook visit: <http://www.prometheuspayout.org/playbook/chronic/ecr-estimator.htm>

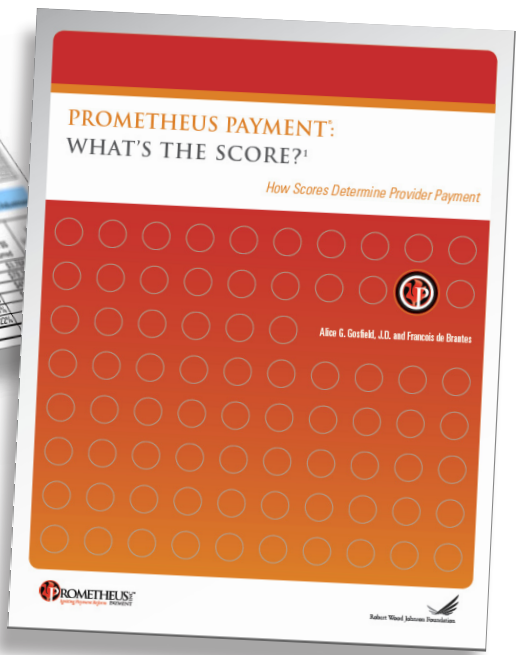
“What’s The Score?” Paper Published

An essential element of what makes PROMETHEUS Payment different from other payment systems and typical pay-for-performance models is that payments depend on the scores that the providers and their clinical collaborators earn under the model’s comprehensive scorecard. Realizing the maximum potential payment for a particular episode of care as calculated by the PROMETHEUS Evidence-informed Case Rates (ECRs) depends on the scores that every provider treating the patient earns under the scorecard. To create a very clear incentive for clinical collaboration, the final scores depend 70 percent on what the individual provider does, and 30 percent on what every other provider treating patients for that condition has done.

The “What’s The Score?” paper describes the PROMETHEUS scorecard approach, the principles of scoring, the sources of the measures, how scores are calculated, and the impact on payment. As one of the first elucidations on the basics of the scoring methodology and conceptual framework, we think that it will clearly demonstrate how PROMETHEUS rewards good care and yields better results for both patients and providers.

To download the paper visit: <http://www.prometheuspayout.org/publications/pdf/Whats%20The%20Score.FINAL.pdf>

ECR	Average Equivalent	FFS	Average Costs	Total ECR
HTN	110	100	\$1,200	\$132,000
CAD	70	100	\$1,500	\$105,000
Asthma	25	100	\$1,000	\$25,000
Diabetes	50	100	\$1,200	\$60,000
CHF	10	100	\$1,500	\$15,000
CCOPD	10	100	\$1,500	\$15,000
Total	275	100	\$1,200	\$332,000



STORIES FROM THE FIELD

A Coalition of Progress: Aircraft Gear Corporation, Rockford & the Search for Sustainable Health Care



Jim Knutson

“The way I describe working with PROMETHEUS is that it’s like trying to take a sip from a fire hydrant,” explains Jim Knutson, risk manager at Aircraft Gear Corporation in Rockford, Ill. “There is so much coming at you so quickly that it can be overwhelming, but once you taste the water, it sure is satisfying.”

On the frontline of the PROMETHEUS Payment pilot in Rockford, Knutson and the public-private coalition leading the effort, the Employers Coalition on Health (ECOH), are tasting early success in what could be a solution to unsustainable health care costs. But the process has not been an easy one.

For nearly two decades, Knutson has overseen benefits for Aircraft Gear’s 80 employees, working to help the company provide quality health care at an affordable cost. As with many small businesses, however, health care costs have steadily outpaced growth – creating a bleak outlook despite the company’s best efforts.

Over the years, Aircraft Gear and many of their fellow Rockford businesses tried traditional approaches to reining in costs, explains Knutson. From reducing prices through bulk purchasing agreements, to managing utilization with HMO-style interventions, and finally, to passing on the costs to someone else – the employees, they tried it all. But despite the efforts, costs continued to increase and “everyone was left progressively unhappier,” he says.

Looking for a new solution, Aircraft Gear and ECOH turned to the PROMETHEUS Payment model a few years ago and never looked

back. Having been interested in payment reform and bundled payments since the Centers for Medicare & Medicaid Services (CMS) and General Electric identified them as critical needs in the mid-1990s, Knutson was intrigued by the way in which PROMETHEUS would allow them to approach costs from a different angle: buying better care.

“If we couldn’t solve the problem by tackling cost or controlling use, then we need to look at buying smarter, and that is what PROMETHEUS represents to us,” says Knutson. “The PROMETHEUS engine allows us to negotiate the purchase of high-quality, evidence-based care from our providers and incentivize them to avoid the potentially avoidable complications that account for a lot of the wasteful spending. All we are really doing is asking them to deliver what they bargained for, which in turn, lowers cost and creates a healthier system and ultimately, healthier employees.”

While laying the groundwork for the January 2009 soft launch of the PROMETHEUS pilot in Rockford, Knutson was encouraged by the willingness of physicians and employers in the area to engage in the complex reform effort. He is convinced that a big part of the success of the last two years can be tied to the open-source and community-wide collaborative approach of both PROMETHEUS and ECOH.

“In the past, competition at the expense of others in the community has been standard operating procedure. Of course, this contributed to the failure of our efforts to fix the system,” he says. “But now we recognize that the tipping point for fundamental reform is here. PROMETHEUS offers us a revolutionary new way of addressing our problems together.”



PROMETHEUS Payment[®], Inc. is a not for profit corporation which has been created to steward the further development and implementation of the PROMETHEUS Payment model.

PROMETHEUS Payment is specifically designed to: (1) improve quality (2) lower administrative burden (3) enhance transparency and (4) support a patient-centric and consumer driven environment, all while facilitating better clinical coordination throughout health care.

By creating common clinical incentives for all parties, the likelihood of significant system reform is enhanced even though in the fullness of time PROMETHEUS Payment will not substitute for all fee for service and capitation. In the last analysis, PROMETHEUS Payment is intended to create a payment environment where doing the right things for the patient helps providers and insurers do well for themselves.

For more information on the PROMETHEUS Payment system, visit www.prometheuspayers.org.