PROMETHEUS PAYMENT INC™
Igniting Payment Reform

Robert Wood Johnson Foundation

From the Board Chair

Welcome to the inaugural issue of PROMETHEUS Payment® reform's quarterly newsletter. As pilot sites prepare to launch over the next several weeks, the PROMETHEUS board and design team are pleased to share news of this bold program to pay providers for high-quality health care.

In this issue you will find very brief updates from PROMETHEUS, including our work to develop new Evidence-informed Case Rates® (ECRs) and an open-source playbook to show others what we're doing, as well as interesting things happening at pilot sites as they prepare to launch the PROMETHEUS model. You will read about the innovative teams at Crozer-Keystone in Philadelphia, who remind us that collaboration is the cornerstone of health care reform, and HealthPartners in Minneapolis, who provide a real-world example that implementing the model is indeed possible.

I think you'll agree that the PROMETHEUS approach to high-quality, efficient, patient-centered health care is starting to become a reality in select locations. We promise to keep you apprised of everything that is happening in the PROMETHEUS world and the hard work of our pioneering collaborators. Together we are igniting payment reform.

Sincerely,

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

News from PROMETHEUS

1. Chronic Care Evidence-Informed Case Rates (ECRs) Completed

PROMETHEUS is proud to announce that work on chronic care Evidence-informed Case Rates (ECRs) has been completed. We now have chronic care ECRs for diabetes, asthma, congestive heart failure, chronic obstructive pulmonary disease, coronary artery disease and hypertension. As a key component to implementing the PROMETHEUS engine for payment reform, we calculate that the chronic care ECRs can potentially impact payment for almost 30% of the entire insured adult population and a significant amount of dollars spent by employers and plans.

Type of ECR	Completed
Chronic Medical	Diabetes, CHF, COPD, Asthma, CAD, Hypertension
Acute Medical	AMI, CABG
Inpatient Procedural	Hip Replacement, Knee Replacement, Bariatric Surgery
Outpatient Procedural	Schedules for development in 2009

What's an ECR?

The backbone of the PROMETHEUS engine, Evidence-informed Case Rates™ represent the total amount paid to all providers involved in treating a particular episode of care. ECRs start with a base – a minimum level of service for "typical" care, consistent with what evidence suggests is good practice for that care. Then, above the base, there is a severity adjustment – to account for a higher intensity of services needed to treat sicker patients – and a margin, to give providers a financial incentive to adhere to the standard of care. Finally, there is an allowance for potentially avoidable complications that is also adjusted for sicker patients. Taken as a whole, an ECR is a comprehensive price negotiated between a payer and providers to care for a specific patient. That's because for every patient there is a specific ECR price reflecting the actual severity of that patient.

2. Open-Source ECR Playbook Now Available for Download

As part of our efforts to keep the evolving development of PROMETHEUS Payment fully transparent and open to all, we have compiled a complete record of how to model and construct Evidence-informed Case Rates for the PROMETHEUS Payment model. Our Playbook is available for download in version 1.0, with many updates to come. We encourage and welcome comments and suggestions on how to improve the models presented. Our goal is that this project will benefit from the collective input of health services researchers and experts from all over the world.

To download the Playbook visit:
http://www.prometheuspayment.org/playbook/index.htm

3. Rockford Pilot Making Progress

Reports from the PROMETHEUS pilot test site in Rockford, Ill., show that preparations for the start of operations next month are moving along.

Led by the Employers Coalition on Health (ECOH), a coalition representing 160 companies with more than 50,000 covered lives in northern Illinois and southern Wisconsin, the Rockford pilot will test PROMETHEUS Payment by working directly with local providers. Since being selected as a test site last May, ECOH has made tremendous progress in building the foundations for the PROMETHEUS engine to operate locally. Stay tuned for news from Rockford in 2009.

4. PROMETHEUS Pilot Playing a Role in Minnesota Health Reform

Big news is emerging from the PROMETHEUS pilot efforts in Minnesota as community stakeholders respond to the 2008 Minnesota Health Care Reform Act. The Act stipulates, among other things, that providers and payers should contract for "care packages," or episodes of care. Partially as a means to prepare for this, PROMETHEUS is now working with two of the state's health plans – Medica and HealthPartners – on pilot implementation of the payment model. We're also working with the Minnesota Hospital Association to educate its members on understanding what comprises a packaged episode of care. PROMETHEUS is also a partner with the CAROL online "care marketplace," a web platform that helps connect physicians with patients. The CAROL platform, powered by PROMETHEUS ECRs, has the potential to be a powerful way to engage physicians and patients to better understand pricing for entire episodes of care.

STORIES FROM THE FIELD

Baking PROMETHEUS Into the System

Carrie Tichey
Senior Director for Network Management, HealthPartners Minneapolis, Minnesota

Based in Minnesota, HealthPartners is a large, regional health plan and multi-specialty care delivery system with more than one million medical and dental members, and is often considered to be one of the more innovative and sophisticated plans in the country. It is this reputation and Minnesota's ambitious health care reform legislation that drove their participation in the PROMETHEUS Payment initiative as a pilot site.

"We recognize that payment reform and measurement are key parts of improving our nation's health care system," says Carrie Tichey, senior director for network management and the site's PROMETHEUS pilot team leader. "And building upon our long track record of innovation in both of these areas we wanted to be a part of it."

After months spent reviewing and comparing existing models, the HealthPartners team decided to give PROMETHEUS a try. "One factor in our decision was that PROMETHEUS can be a localized, community solution and its open-source code means all health plans in a community can utilize it so clinics don't have to incorporate different methodologies for different plans," said Tichey. "Payment reform can be more successful if it can be incorporated into a standard payment system."

So far, HealthPartners is the first plan to take the model and turn it from a theoretical idea into something that can truly be operational in a real-world setting. The reason for these accomplishments is clear to Tichey and the PROMETHEUS Payment design team: they have taken the theoretical PROMETHEUS model and baked it into the operations of the system for a pilot program.

"Rather than siloing our payment reform efforts or shying away from the complexities of PROMETHEUS Payment, we have integrated it into our payment system for our pilot sites," explained Tichey. "This means that we can test it in the real world, learn what works well and what doesn't and refine it."

Knowing that the payment reimbursement system can function when operational, HealthPartners will now negotiate case rates and bake the PROMETHEUS model into the contracts with pilot hospitals and providers, a challenge that Tichey and her team are eager to face.

"If a serious player like HealthPartners can figure out how to make PROMETHEUS a reality then others can too," exclaimed Francois de Brantes, leader of the PROMETHEUS design team and National Coordinator for Bridges to Excellence. "Their experience says to others 'This is it. PROMETHEUS is a reality.'"

COLLABORATIVE NETWORK SPOTLIGHT

Working Together To Succeed: Crozer-Keystone Health System in Philadelphia

Followers of the PROMETHEUS Payment reform initiative know that, like all things health care, a fundamental part of igniting this transformation is intense collaboration with disparate stakeholders. From providers to purchasers, many key groups with vested interests are working together to achieve change.

This is particularly true under the PROMETHEUS model because the care rendered by all parties involved with treating a patient can have a significant impact on improving clinical outcomes and creating financial success. All providers who will be affected by PROMETHEUS need to be consulted from the get-go, not only to gain their crucial buy-in but also to involve them in designing and perfecting the payment engine. The people involved in front line care have key insight as to how to improve it. Early evidence of the success that such collaboration can bring has been clear at Crozer-Keystone Health System in Philadelphia, a PROMETHEUS Payment collaborative network site.

A mid-sized hospital system seeking to achieve full clinical integration in its market, the team at Crozer is working with a local orthopedic surgery network to implement ECRs for hip and knee replacements. Driven by President & CEO Joan K. Richards's vision that Crozer-Keystone must strategically align payment and physician incentives in its community, a dedicated PROMETHEUS team has worked for the past six months to prepare for the engine's launch in January.

Much of their successful progress thus far has come from a concerted effort to collaborate across the system. "No one resource in most health care organizations has the skill set, experience or comprehensive understanding to put something like PROMETHEUS together," says Elizabeth Jaekle, vice president of business development at Crozer-Keystone and the project lead. "A project like PROMETHEUS has never been done before. In order to make the theoretical benefits a reality we needed as much collective input during the process as possible."

In Crozer-Keystone's case, what they found most valuable from PROMETHEUS was the team's willingness and support to actively engage physicians and payors involved in this ECR. Not only was the methodology innovative, but the team's desire to get "into the trenches" with those affected by the payment reform has been instrumental. To effectively translate this new methodology to all, Crozer-Keystone engaged their physician medical informaticist as a core member of the team and mobilized the support of several senior colleagues spanning orthopedic service line delivery, payor relations, quality and patient safety initiatives. This comprehensive team helps all stakeholders digest the sometimes extreme complexities of the PROMETHEUS Payment model and has subsequently produced buy-in across the board.

Ultimately, says Richards, continued collaboration will be a key component of their ongoing success. "We are fundamentally committed to achieving the best quality of care for our patients, and PROMETHEUS is helping us to pursue this goal to the fullest. There is still a lot to learn when we go live, but how can we go wrong by having such a solid and supportive team behind it?"

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.prometheuspayment.org.**