

PROMETHEUS® IN PRACTICE

Potential cost savings and bonuses for Tom's routine care



CLINICAL SCENARIO

Tom is a 45-year-old, non-insulin-dependent man with obesity and hyperlipidemia who is routinely managed by an internist for control of his diabetes. He is periodically seen by a cardiologist in a separate practice. Tom is managed proactively and does not have any emergency room visits or hospitalizations during the year. He is compliant in taking his diabetes medications, anti-platelet therapy and his daily statin intake. During the year, Tom has a heart ultrasound and aretinal exam, both considered typical covered services for his care.

Traditional fee-for-service costs

In a traditional fee-for-service payment system, the overall claims costs for one year of Tom's routine care totals \$6,700—assuming no complications.

PROMETHEUS Payment budget

Under the PROMETHEUS model, the treatment budget is calculated as a patient-specific "Evidence-informed Case Rate" (ECR®). An ECR includes all covered services related to the care of a single illness or condition, bundled across all providers. The ECR is also risk-adjusted to account for the severity and complexity of the patient's condition, and includes an allowance for potentially avoidable complications (PACs). If complications occur, this portion of the budget offsets the costs of corrective treatment. But if providers can reduce or eliminate PACs, they keep the allowance as a bonus.

Considering Tom's overall health, the severity of his case and other co-morbidities, the PROMETHEUS Payment model calculates a budget of \$6,500 for one year of diabetes management. This includes all of the costs of his routine care and monitoring. The model also calculates a PAC allowance of \$3,000, and \$1,000 to support providers coordinating Tom's care, resulting in a total care budget of \$10,500.

Improving quality and reducing costs

The PROMETHEUS model is designed to encourage high-quality, efficient, patient-centered care while minimizing the amounts spent on PACs. So it provides incentives for physicians to monitor Tom's health between routine office visits, such as calling to check on his progress. It also encourages providers to coordinate care, and take other proactive steps (such as offering a 24-hour nurse help line) to avoid complications, emergency room visits or hospitalizations. Under the current fee-for-service model, his physicians are paid for each office visit but not for these other services.

Potential cost savings and bonuses

There were no complications and Tom's treatment came in under budget. So, against an ECR of \$10,500, the physicians would share the difference of \$3,800 in bonus payments, in accordance with their contracted proportions.

COST OF TREATMENT

Under Fee-for-Service (assumes complications):	\$15,500	Under Fee-for-Service (assumes no complications):	\$6,700
Budget under PROMETHEUS (factors in potential complications):	\$10,500	Budget under PROMETHEUS:	\$10,500
Potential cost savings:	\$5,000	Potential bonuses:	\$3,800