KAISER PERMANENTE
Past, Present, Future

Edward Ellison, M.D.       Area Medical Director, Orange County
Kevin Rossi, M.D.          Regional Chief, Family Medicine
Judy White                 Administrator, Orange County
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American Health Care &
Kaiser Permanente Organization
Private Health Care System

15% of Gross Domestic Product

Provided through a wide array of insurance options:

- Indemnity Insurance
- Health Maintenance Organizations
- Preferred Provider Organizations
- Self-funded plans

85% of citizens have health care insurance
Health Care In the United States

Health Care Coverage is provided by:

- Employers 58%
- Medicare 16%
- Medi-Cal 11%
- Self-Pay 15%

- Employer contributions diminishing
- National sense that the system is broken
- Belief that the Kaiser Permanente model may offer an answer
“There is no perfect health care system in the world … but Kaiser comes closer to an ideal than any system I know…Kaiser has achieved a great degree of integration-between prevention and cure, out-patient and inpatient services and between primary-care physicians and hospitals.”

The Economist, July 17, 2004
The Nation’s Largest HMO

- Integrated health care delivery system
- 8.6 million members
- 11,000+ physicians
- 130,000 employees
- 8 regions serving 9 states and D.C.
- 30 hospitals and medical centers
- 431 medical offices
- *$35 billion annual revenues

* 2006 revenues
Contractual Relationships

Kaiser Foundation Health Plan

Hospital Service Agreement

- Kaiser Foundation Hospitals
- Hospital Services

- Kaiser Permanente Health Plan Members & Patients

Medical Service Agreement

- Permanente Medical Groups
- Medical Services
We aspire to be the world leader in improving health through affordable, integrated health care. We will be distinguished by our strong social purpose, physician responsibility for clinical decision-making, and an enduring partnership between our health plan and our medical groups.
The History of Kaiser Permanente
• In 1933, Dr. Sidney Garfield opens Contractors General Hospital.

• Located in the Mojave Desert of California, the hospital provided care for workers on the Colorado River Aqueduct.

• He switches to a prepaid medical care plan. It becomes a medical and financial success.
Site of Contractors Hospital

2007
What is Kaiser Permanente?

• With the involvement of the United States in World War II, Kaiser sees an opportunity to enter shipbuilding.

• Sidney Garfield & Associates provides medical care to workers at Kaiser’s shipbuilding yards & steel mill.

• After the war, employers begin to see value in providing health care for their employees

• Model grows in membership and geography
Genetic Code

Kaiser Permanente
What is Permanente Medicine?

• Sidney Garfield built on two concepts:
  – Pre-paid medical care / affordable
  – Multi-specialty group practice

• Pre-paid medical care
  – Incentive for physicians to emphasize prevention and wellness

• Multi-specialty group practice
  – Physicians could practice high-quality, fiscally responsible medicine with focus on the total health of their patients.

• Exclusivity of Medical Group – Health Plan relationship

• Medical – Management Partnership
What is Permanente Medicine?

- What does this mean for patients?
  - The patient-physician relationship is central and safeguarded.
  - High-quality, evidence-based medicine is our primary focus.
  - All medical decisions are made by physicians.
  - Members have convenient access to specialists.
  - Physicians work in multispecialty teams to coordinate care.
  - Members are encouraged to work with their physicians and other care givers.
Role of Primary Care/Specialty Care
Role of Primary / Specialty Care

- Administration
- Support Services Team
- Specialty Care Team
- Primary Care Team
- Patient
Population Care Management
Levels of Customized Care Based on Need

- **LOW RISK**
- **MODERATE RISK**
- **HIGH RISK**

- **PALLIATIVE**

- **End-of-Life Care**
- **Case Management**
- **Care Management**
- **Self Management**

**Prevention**
What is Population Care Management?

- Cholesterol Management Program
- Coronary Artery Disease
- Congestive Heart Failure
- Diabetes
- Chronic Kidney Disease
- Asthma
- HIV/AIDS
- Breast Care
- Hypertension
- Depression
- Elder Care
- Osteoporosis
- Pain Management
- Anticoagulation
- Cancer Screening
- Obesity
Diabetes Management

Low Risk / Self Management

Self Management
- 50%
- Annual Hemoglobin A1c, Lipid Panel and Microalbumin testing
- Health Education classes
- Web-based interactive support for healthy lifestyle

Prevention:
- Reminders for annual eye exam and foot exam.
Low Risk / Self Management

Moderate Risk / Care Management

High Risk / Case Management

Palliative

Prevention

Care Management

- 43%
- Visits by Pharmacist and RN Care Managers
- Targeted elevated hemoglobin A1c for PCP review and referral to Care Management protocol program
- Automated alerts and recommendations for missing treatment
- RNP follow up of abnormal labs
- Telephone outreach by RN Care Manager after hospitalization or Emergency Department visit
Diabetes Management

High Risk / Case Management

Case Management

- 6%
- All low risk interventions
- Endocrinologist or RNP: Ongoing management of type 1 diabetes.
- End Stage Renal Disease: Ongoing management by Nephrologist, pharmacist, RN, Social Worker and Dietitian.
- RNP Depression Specialist
Palliative / Hospice

- **Palliative**
  - 1%
  - Nurse Care manager home visits and telephone management. Optional visits by physician, social worker, therapist, chaplain.
  - Hospice Program: expected prognosis of 6 months.
– Reduced hospital and ED visits for chronic conditions represents better quality and leads to lower costs over time

Discharge Rate for Heart Failure Cohort (per 1,000 Members)

Discharge Rate for Diabetes Cohort (per 1,000 Members)
Breast Cancer Screening
Southern California Performance

Year
Percentage

2002 2003 2004 2005 2006
65 70 75 80 85 90
72.02 75.18 79.1 83.53 85.6
It is not the strongest or smartest but those most adaptable to change that survive.

Charles Darwin
The key link between the new quality agenda and the new cost shifting agenda has to be electronic. The only real hope of holding costs down is to provide best care and high leverage interventions. KP Health Connect will help us do exactly that.

- George Halvorson
  CEO, Kaiser Foundation Health Plan & Hospital
OO + NT = COO

It’s not the box.

old organization + new technology = costly old organization
Health Connect

A powerful fusion of integrated care delivery and cutting-edge IT that supports personalized care, enhanced safety, and greater efficiency

- Access to health information, 24/7, across regions
- Electronic physician notes/clinical documentation
- Automated decision-support alerts for physicians
- Review medical records, lab results, immunization records
- Hold “virtual consultations” with colleagues in separate locations
- Review history of medical visits
- Electronic ordering: prescriptions, lab tests, screenings, and referrals
- Programwide database enables easier research/best-practice implementation
Time-Saving Online Tools

- Request prescription refills (mailed at no extra charge)
  - 2 million online Rx refills/year

- Request/schedule routine appointments

- E-mail Your Doctor
  - Nearly 1 million secure messages were exchanged between providers and members as of June 30, 2006.

- Check future appointments

- Check lab results
  - >1 million lab test results viewed online as of June 30, 2006

- View recent immunization history

- Request updates to the medical record

- Find health advice
After office visit summaries

Paper copy handed to the patient or family at the end of every visit and also available in the online health record.

Appointment Information

Date: 11/06/2003
Time: 10:30 AM
Visit Type: Clinic Visit
Visit with: Grant Petersen, MD
Campbell Medical Offices
Reason for Visit: Diabetes

Vitals

Blood Pressure: 110/60
Respirations: 26
Pulse Rate: 72
Height: 5’ 8"
Temperature: 99
Weight: 188 lbs
Temp Source: Oral
SAO2: 98%

Lab Orders

HBA 1C

Patient instructions

Please check your blood sugar twice a day, before breakfast and dinner, for three days. Send the results by e-mail message to me next week. See the Diabetes featured health topic on kp.org for more information on diet and diabetes.
Direct to the Patient: Opportunities to Support and Integrate Care

Announcement about asthma

Asthma Featured Health Topic from the pull-down menu
Managing Your Asthma: Connecting to Appropriate Actions

Asthma Can Be Controlled
If you or your child have asthma, you are not alone. Nearly 20 million Americans also have this condition. Risks of uncontrolled asthma may include asthma attacks, exacerbation of the airways, Emergency Department visits, hospitalization, and even death. There is no cure for asthma, but it can be controlled in most people.

With proper self-care and the help of your medical team, you can be free of asthma symptoms. Kaiser Permanente wants to help you control your asthma. Using this self-management plan will help you breathe easier so you can live a healthy, active life.

Asthma Medicines
"Controller"/"Preventor" Medicines
Take daily as prescribed for long-term control (see Green Zone).
- Examples: QVAR®, Advair®, Symbicort®, Pulmicort® Turbuhaler®, Fluticasone®, Serevent®, and Albuterol®.
- Salmeterol® or Foradil® may be used as a booster (or "add-on") if needed.

"Quick-Relief" Medicines
Take for quick relief (see Yellow and Red Zones), Take 5 to 10 minutes before exercising, if needed. Do not overuse — know the "Rule of 2."s.
- Examples: albuterol (Proventil®, Ventolin®), Serevent®, Maxair®, Xopenex®, and Albuterol®.

"Burst" Medicines
These medicines may be prescribed for use during a severe asthma attack (see Red Zone). Ask your asthma care professional if a "Burst" medicine is right for you.
- Examples: prednisone, Medrol®, Prednisone®, Predispred®, and Gastrocin®.

Green Zone... Go ahead
Your asthma is in good control
- No Symptoms:
  - You can sleep without waking
  - You are wheeze-free
  - "Quick-Relief" medicines are rarely needed (except for exercise)
  - You can participate in most activities without asthma symptoms
  - Work or school is not missed
  - You rarely, if ever, need emergency care

Go ahead...
Take "Controller"/"Preventor" medicine(s) daily as needed to keep asthma in good control.

Be aware...
If symptoms continue more than 2 days, or if "Quick-Relief" medicine is needed more than every 4 hours, see Red Zone. Call for advice if needed.

Yellow Zone... Be aware
You are having a mild asthma attack
- Symptoms may include:
  - Some coughing
  - Mild wheezing
  - Slight chest congestion and/or tightness
  - Breath when exercising may be slightly faster than normal
  - Peak flow is 50 to 90 percent of your "personal best"

Red Zone... Stop and take action
You are having a severe asthma attack
- Symptoms may include:
  - Constant coughing and or wheezing
  - Difficulty breathing when at rest
  - Waking from sleep because of coughing, wheezing, or tightness of the chest
  - Peak flow level is 50 percent or below your "personal best"

Take action...
If you need "Quick-Relief" medicine every 2 to 4 hours and you still have Red Zone symptoms:
- Take "Burst" medicine if prescribed by your asthma care professional. Keep in mind that it may take 4 to 6 hours for the "Burst" medicine to work.
- You may take "Quick-Relief" medicine every 20 minutes for up to 1 hour.

However, if shortness of breath is causing you difficulty walking or talking, or in the case of a child, there is trouble breathing between the ribs, widening of the nostrils, or blue lips, go to the nearest Emergency Department or call 911 now.

If you have tried the above steps and there is no relief, you are having a severe asthma attack. Go to the nearest Emergency Department or call 911, and continue to take "Quick-Relief" medicine as needed.

Stop flare-ups before they start — identify and control the triggers that can make your asthma worse.
This page displays your lab test results and the provider who placed the order. The results of some tests might not be displayed here. If you have any questions about this information, please call 1-800-123-4567.

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<td>06/26/2003</td>
<td>CBC</td>
<td>Grant Petersen, MD</td>
<td>Details</td>
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<td>11/06/2003</td>
<td>HBA1C</td>
<td>Grant Petersen, MD</td>
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Finance and Utilization
Kaiser Permanente Financial Facts

Per Capita Spending $4,070

Inpatient Facts

- Hospital Beds per 1000: 1
- Bed Days per 1000: 301
- Average Length of Stay: 3.2 days
- C Section Rate: 25%
- Patients per RN/Med Surg: 4
- Cost Per Patient Day: $2,200
Ambulatory Facts

- Physicians per 1000: 1.67
- Primary Care Physicians: 45%
- Specialty Care Physicians: 55%
- Primary Care Panel Size: 2,000
- Primary Care Team Make-Up: 6 MDs, 1 RNP, 1 RN, 6 Medical Assistants
- Visits Per Member Per Year: 5.6
Kaiser Permanente Expenses

- Payroll: 51%
- Non-Payroll: 14%
- Outside Medical: 13%
- Property: 6%
- Administrative/Insurance: 11%
Kaiser Permanente
Southern California

2006
Hospital Utilization Rate

Days Per 1000 members                  301
Days per 1000 members, age 65+          1189
Days per 1000 members, under 65 years   198
How Do We Achieve That Rate?

1. Alternate Sites of Care
   - Ambulatory Surgery - 65-70% of all surgeries
   - Sub Acute Facilities - 20% of patients
   - Skilled Nursing/Rehab
   - Home Health - Home Infusion, Wound Care
   - Hospice
   - Palliative Care
How Do We Achieve That Rate?

2. Preventive Care

- Ambulatory Visits – Average 5.6 per member per year
- Primary Care – 3.5 visits per year
- Population Care Management – multiple programs (cholesterol management, asthma)
- Promoting Wellness – health education classes, DVD’s, newsletters, THRIVE campaign
- Focus on Clinical Strategic Goals – Inreach and Outreach
How Do We Achieve That Rate?

3. Utilization Management Infrastructure
   - Physician and Administrative Leadership/Accountability for UM
   - Dedicated Hospitalists
   - Intensivist Management of ICU
   - Discharge planners, UM Coordinators – early initiation of transition planning
   - Social Worker Support
   - Nursing Care Plans
   - Daily Huddles with Attendings and UM Leaders
How Do We Achieve That Rate?

4. Decision Support
   • Clinical Practice Guidelines
   • Data
GOAL: Deliver Appropriate Medical Care based on Scientific Evidence

Clinical Experts: define what is appropriate by developing clinical practice guidelines based on evidence

Specialists from Departments of Allergy, Family Medicine, Gastroenterology, Infectious Disease, Internal Medicine, Neurology, Rheumatology, Oncology, Psychiatry and Pediatrics

DUAT/DRUG: is driven by what is defined as appropriate and supported by the clinical experts

Drug Education Coordinators
Pharmacy & Therapeutics Committees
Local DUAT/DRUG Committees
The DUAT/DRUG Philosophy:
“Support Evidence-Based Drug Use”

- Practice evidence-based medicine
- Physicians decide on treatment alternatives
- Lowest use may not always constitute best practice
- Manage member resources responsibly

-- Physicians Taking Responsibility --
Antibiotics:
Reduce Resistance; use less abx for viral infection

39% overall decrease in antibiotics used per viral patient office visit since start of campaign

Notes: Unique patient encounters must include at least one (but may include multiple) diagnosis in CDAP/ECS for acute bronchitis, acute pharyngitis, viral illness, chronic or allergic rhinitis, or upper respiratory infection. Both the prescription and the patient encounter must have been attributable to the same provider. Antibiotics included penicillin, aminopenicillins, macrolides, cephalosporins, fluoroquinolones, doxycycline, TMP/SMX, and erythromycin/SMX and must have been prescribed for more than 3 days. Patients with diabetes, CHF or high risk asthma were excluded. Patients with UTI diagnosis within 5 days prior to the antibiotic prescription were excluded (2001-2004 only). Providers with at least 30 encounters and 1 prescription.
Primary Care

- Status
- Workflow
- Future