KAISER PERMANENTE®

CREATING INTEGRATED CARE AMIDST FRAGMENTATION

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Outline

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- What we do
- How that differs from others in the industry
- Why we do it
- How we approach doing it

Kaiser Permanente: Background

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- **Henry J. Kaiser & Dr. Sidney Garfield**
  - Grand Coulee Dam, LA Aqueducts
- **70+ years of integrated, prepaid care**
  - Now ~9 million members, ~15K physicians, 165K employees
- **Variation across regions and even within regions**
  - California regions with dense market penetration
  - Other non-hospital regions

Kaiser Permanente: Contrast to Current Healthcare Industry

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- **Prepaid vs. Fee-for-service**
  - Incentives driving provider behavior
  - Quality issue in addition to efficiency (resource use) one
    - Avoidance of unnecessary utilization, focus instead on evidence-based, outcomes-based interventions
    - Properly encourages focus on prevention activities
- **Integrated/coordinated vs. Fragmented**
  - Communication between physicians and other segments of delivery
  - Across a common EHR
  - Patient-centric convenience and service
  - Quality issue in addition to efficiency (resource use) one
    - Coordinated care = higher quality care

Impact of Payment Design: Resource Use and Quality

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- **CMS data – FFS vs. Medicare Advantage**
  - 18% fewer hospital days in MA vs. FFS
  - Lower surgical rates in MA
- **Geographic variation → More ≠ Better**
  - Atul Gawande in New Yorker from June 2009
  - Dartmouth studies #1:
    - For states, ↑$ = ↓quality performance
    - 4 highest spending states (LA, TX, CA, FL) near bottom for quality
  - Dartmouth study #2:
    - Million elderly Americans with colorectal cancer, heart attack, or hip fx
    - Higher spending areas received 60% more care (tests, procedures, admissions, visits)
    - Yet no better, and frequently worse, for survival, function, or satisfaction (surgical complications kill more than MVCs)
    - Less likely to receive cheaper preventive services or have a PCP
- **Example of typical hospitalization → Bed days and LOS**
  - 5-10% incidence of HAI
  - Single largest driver is time spent in hospital

KP Hospital Utilization as a Case Study

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	Days/1000	% Core
Example A	238	41%
Example B	215	76%
Example C	187	84%

Impact of Integrated/Coordinated Care: Again, Resource Use and Quality

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- **Readmissions**
  - 18% of patients within 30 days (35% w/i 90 d)
  - 20% of these return more than once
  - 75% of these preventable
  - Single most impactful intervention?
    - Primary Care follow-up within 3 days (easier if link b/w inpt and outpt)
- **Hand-off errors**
  - 2009 NYT: Typical hospitalization = 15 hand-offs
  - 2009 JGIM:
    - Only 16% of the time, pending test results mentioned in discharge summary
    - 2/3 of the time, discharge summaries included plan for f/u
- **Fragmented vs. Co-location**
  - Power of co-location not achieved
  - 2010 NYT:
    - 80% of the time, first-time patient Rx are filled (lower for chronic diseases like chol, HTN, DM)
    - KP study in 2009 JGIM shows KP rate is 95%

Paper vs. EHR

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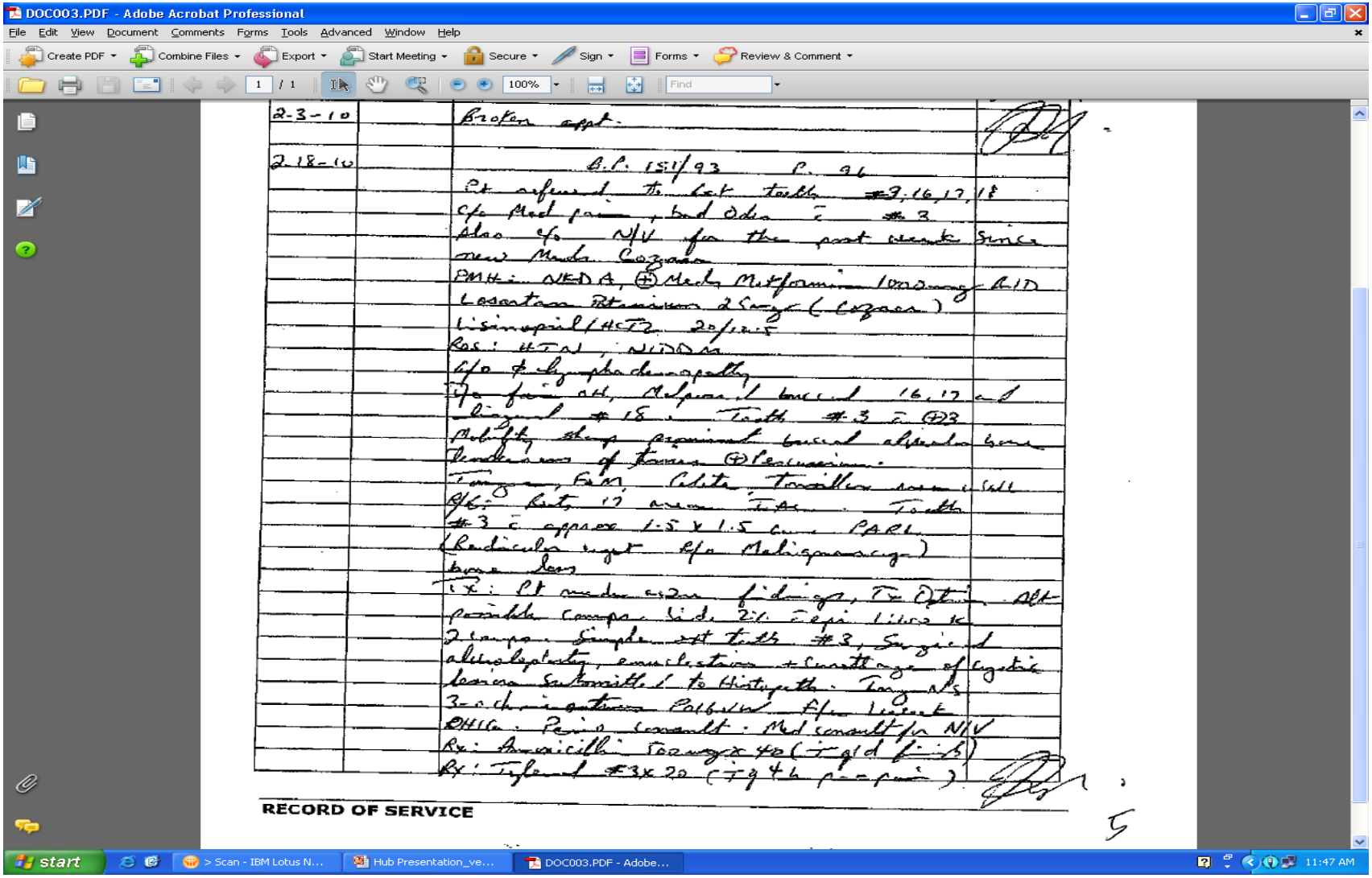

Integrated Clinical Information Systems

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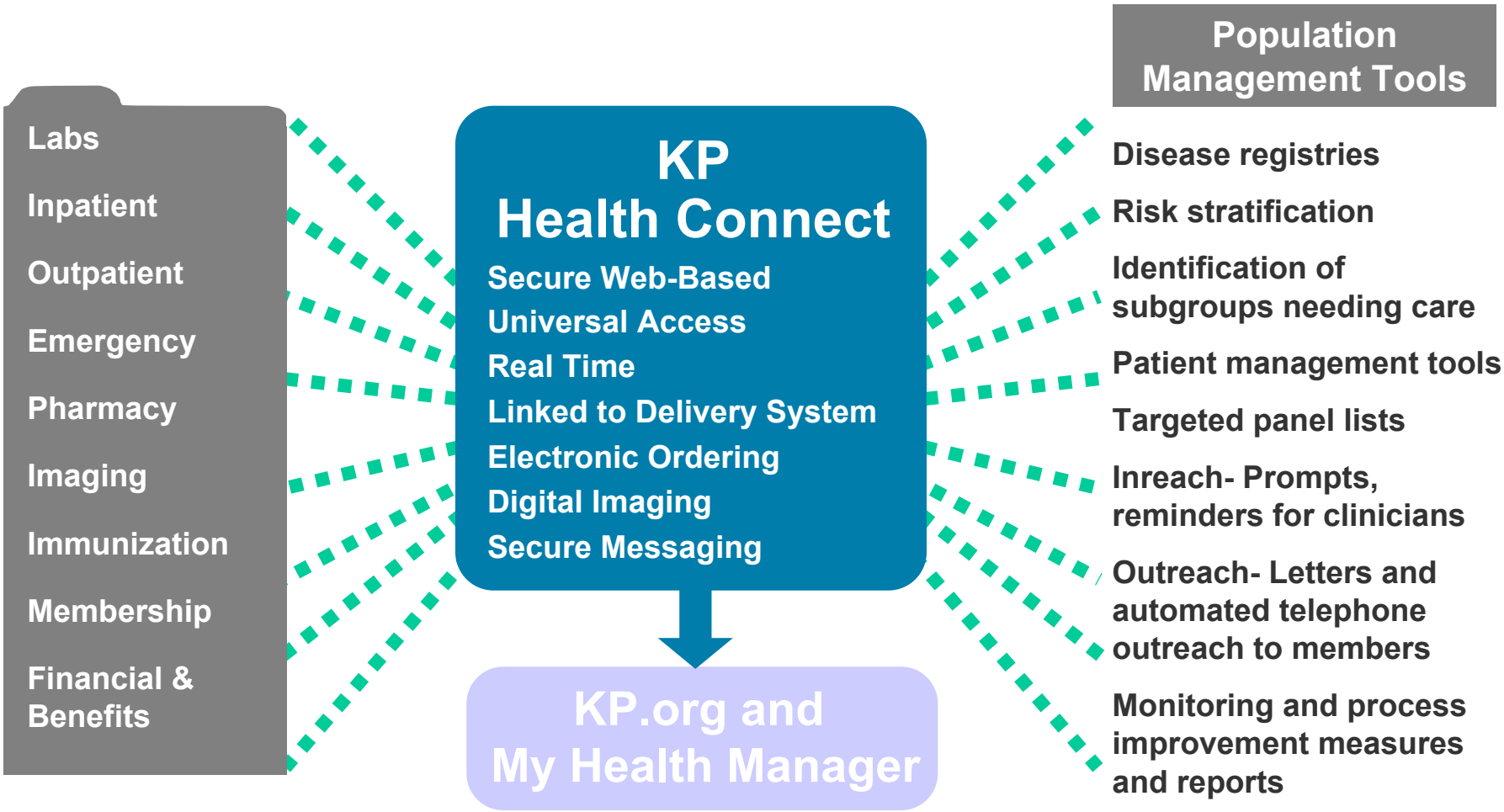
Linking across episodes, providers, and settings of care delivery.



KP HealthConnect: Best Practice Alerts Make Every Visit an Opportunity for Needed Care

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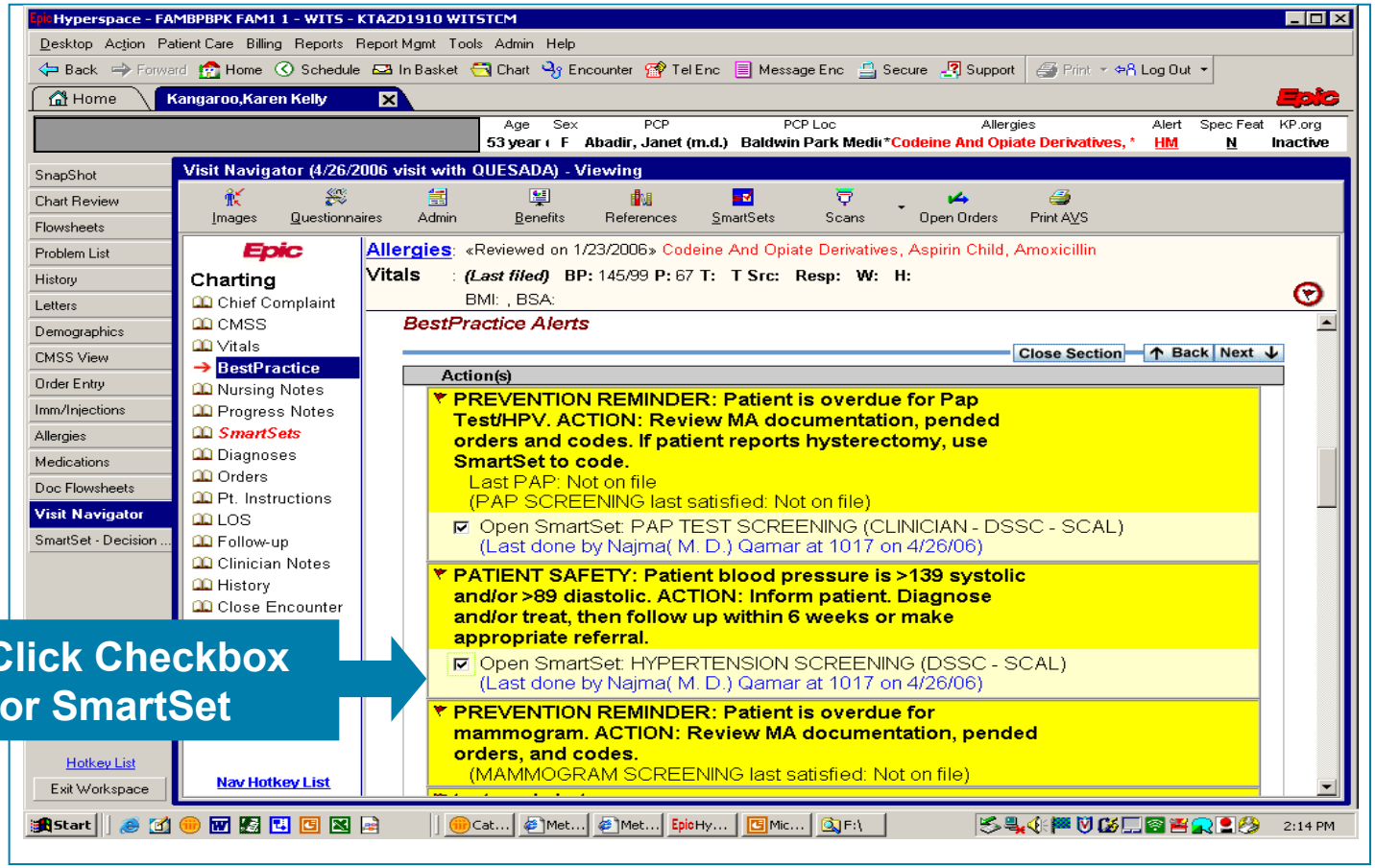
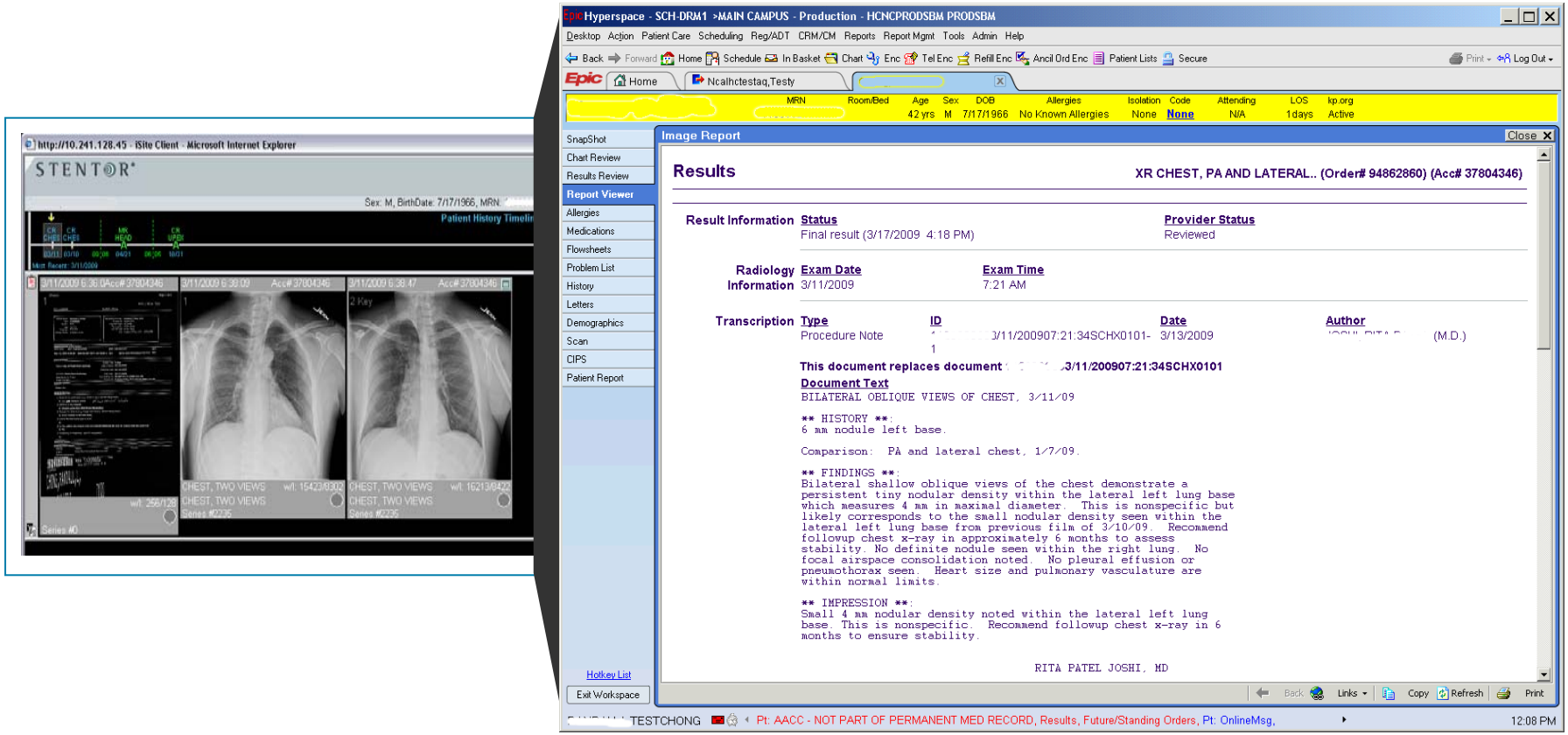
Automatically alerts physicians when a patient is due for check-ups or preventive tests. Decision support tools prevent providers from practicing silo medicine and keep them up to date with the latest advances in medicine.



KP HealthConnect: Images Accessible Anywhere

From any computer with an internet connection, our physicians can securely view Kaiser Permanente member x-rays (or any other radiology image) moments after the film is taken.



Quality: Another Glimpse into the Value of Integrated Care

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- **CABG Mortality and Major Morbidity**
- **Benchmark (STS): 16.0%**
- **Hospital A - Overall:**
  - 2006-2009 = ~13-14% risk adjusted
  - 2010 YTD = 16.8% risk adjusted
- **Hospital A - KP only:**
  - 2009 = 12.9% risk adjusted
  - 2010 YTD = 11.8% risk adjusted

Approach to Capitalizing on These Advantages

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- **How to effectively maximize coordination and minimize impact of imperfect financial incentives?**
- **Challenge faced in greater or lesser degree across KP program**
  - Geography
  - Efficient use of resources while providing better access
- **KPMAS**
  - Non-hospital-based region
    - ER and inpatient care potentially outside the umbrella
  - Maximizing ability to supply outpt services
- **2 Key Strategies:**
  - Expand and redefine access
  - Identify and streamline essential “core” partners and steer volume

Re-defining Access

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- **More physicians, more locations, more services**
- **Use of Technology → internal efficiencies, patient satisfaction, and directing care to the optimal settings**
  - P-Consult: Heart phone (Internal Efficiency)
    - Allows physicians to avoid unnecessary ER/hospitalization (~10%)
    - Need for referrals reduced (~20%) and subsequent reduction in care needing to go outside our integrated umbrella
  - E-Consult and decision support (Internal Efficiency and Patient Satisfaction)
    - Faster than external alternative = more attractive to members
    - More efficient use of internal resources
  - Kp.org, email your doctor, lab/record access for patient (Satisfaction)
  - V-Consult and Telederm (Overcome geographic barriers)
    - Overcomes challenges of geography
  - Call Center and "Warm Transfer" (Overcome geographic barriers and directing care to the best setting)
    - Identify best setting for care
    - Reduces unnecessary ER/hospitalization

The Value of Patient Engagement: Efficiency and Satisfaction

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Care Delivery Made Easy

- **Schedule routine appointments**
- **Refill Rx**
- **Check lab results, allergies**
- **E-mail Your Doctor and your Child's Doctor**
- **View recent immunization history**
- **Online Health Encyclopedia**
- **Check future appointments**
- **Online Physician Selection Tool**
- **Locate services**
- **24 hour RN advice lines**

Wellness and Engagement

- **Online Healthwise Handbook**
- **Online Drug Encyclopedia**
- **Online health calculators**
- **Message Boards**
- **Online health education and advice**
- **Online Health Assessments**
- **Healthy Living modules**
- **Records always up to date and secure**

As of August 2010

E-Consult: More Efficient, Greater Satisfaction

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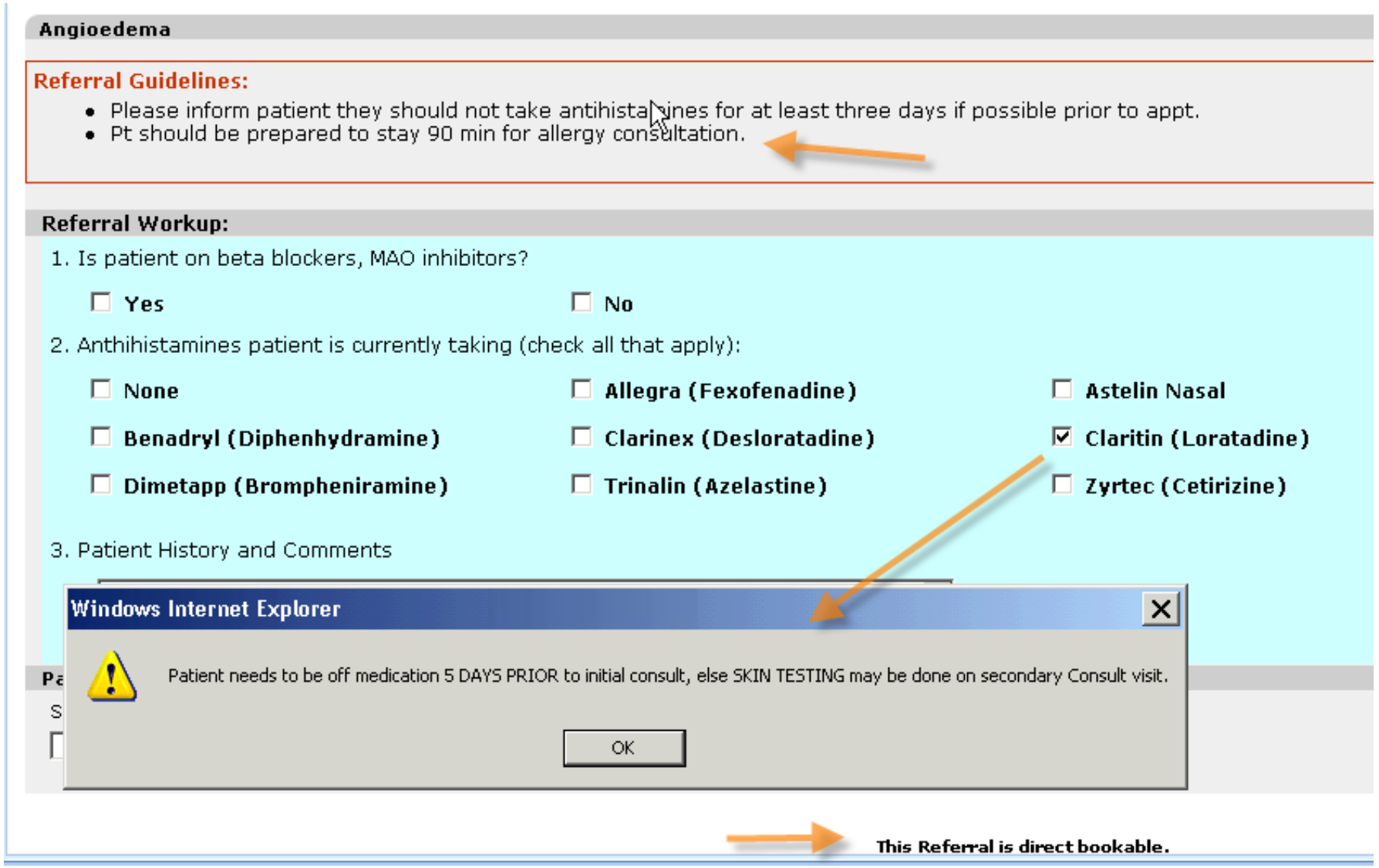

E-Consult: More Efficient, Greater Satisfaction

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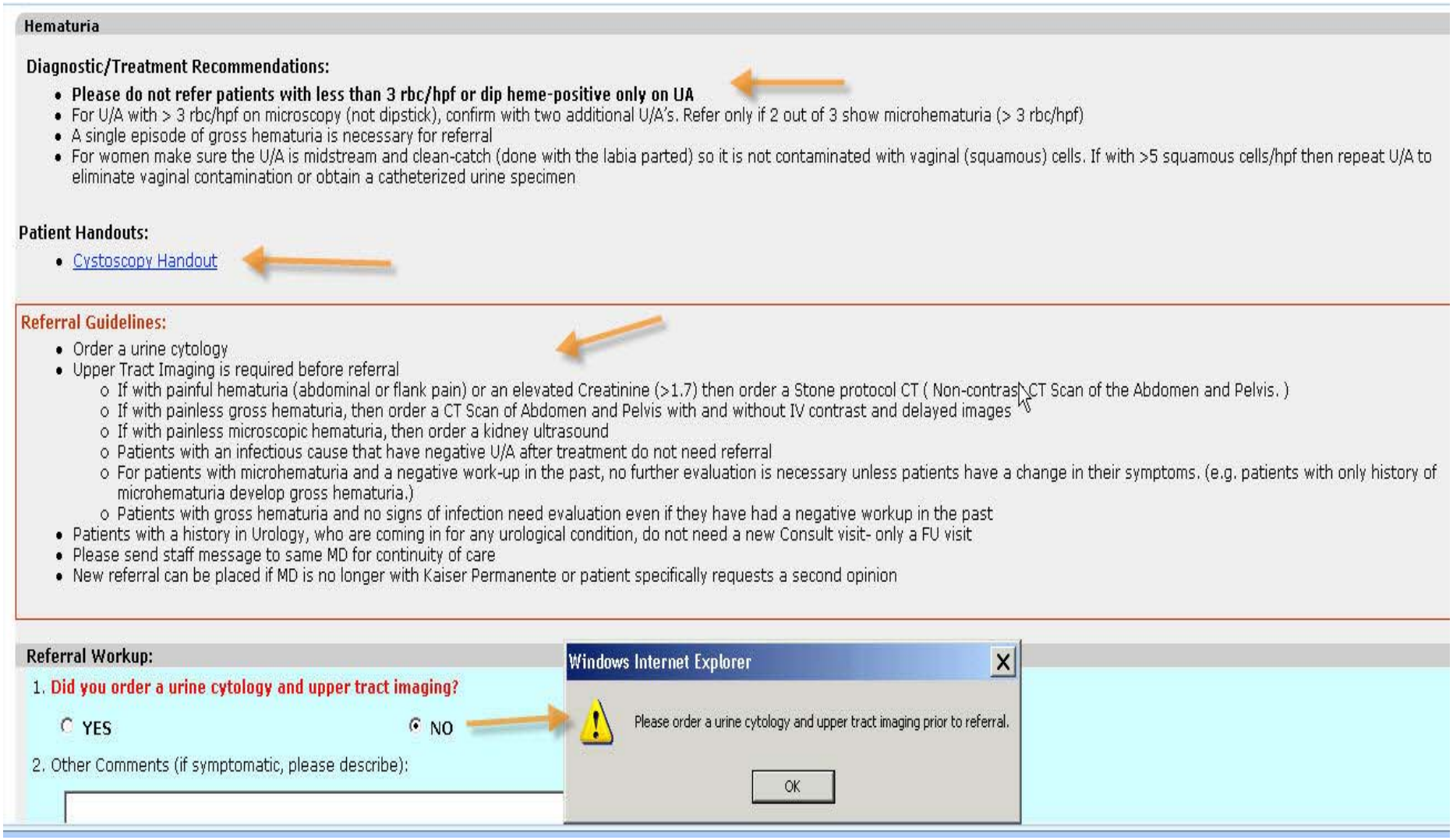

Remote Real-time Consults: P-Consult, V-Consult and Telederm

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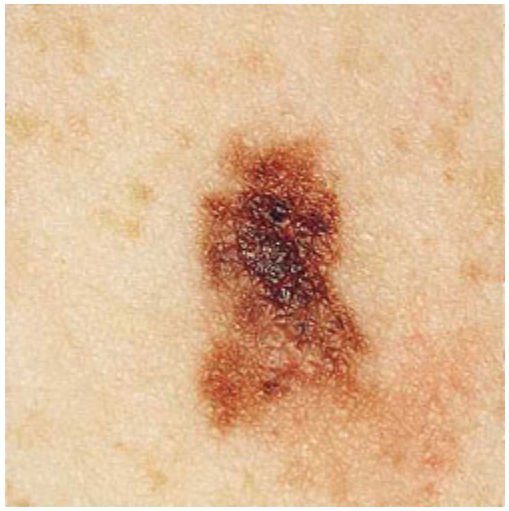
- **Again, to maintain benefits of internal care**
- **P-Consult (e.g. heart phone)**
  - Enabled by internal efficiencies that clear capacity
- **V-Consult (ortho, cardiac, neuro)**
  - Facilitated by common EHR with PACS
- **Telederm**



“Core” Hospital Approach

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- **Hospitals**
  - Almost 40 contracted hospitals in the Mid-Atlantic
  - Of these, only ~5-7 “core” facilities
    - Own hospitalists, specialists, EHR, case managers
    - Pre-selected based on capabilities, quality, cooperation with our system, etc.
    - Joint operational leadership meetings and initiation of co-branded floors
    - Moving volume to the core (pre-/re-patriation system) enables closer, more collaborative relationship
  - For ER visits, automated mechanism for PCP f/u telephone calls
  - Bridge to outpt care

Bringing It All Together

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- **Try to leverage our advantages (coordination, no FFS incentive)**
- **Re-define access**
  - Pt-centered
  - Focused on operational efficiencies
  - Use technology as the enabler to overcome geographic barriers
- **Work closely with smaller number of external partners**