Session Objectives

- Extract key elements from Kaiser’s journey that could be applied to your system.
- Identify a "best practice" that can be brought back to your organization.
- Consider proposition of excellence not being good enough, and determine the need to shift from celebration to acceleration.
Agenda

- Kaiser Permanente Overview
- Quality Journey
- Break
- Physician Leadership and Engagement
- Break
- Total Health

Part 1:
Kaiser Permanente Overview
About Kaiser Permanente

- We are the nation's largest not-for-profit health plan
- Based on an integrated health care delivery system
- Dedicated to care innovations, clinical research, health education, and the support of community health
- Composed of three entities
  - Kaiser Foundation Health Plan
  - Kaiser Foundation Hospitals
  - Permanente Medical Groups

Our Numbers

Kaiser Permanente is the nation’s largest not-for-profit integrated health care delivery system serving 9.1M members across 8 states.

- 9+ Million members
- 37M+ office visits per year
- 38 Hospitals and over 600 medical office buildings
- Over 16,000 doctors and 48,000 nurses
Kaiser Permanente: An Integrated Care Delivery System

Permanente Medical Groups

Member/Patient

Kaiser Foundation Health Plan

Kaiser Foundation Hospitals

Our Mission

To provide high-quality, affordable health care services and to improve the health of our members and the communities we serve.
A Systematic Approach

Primary Prevention | Secondary Prevention | Acute Care | Chronic Care

...and accountability across the care continuum.

Coordinated, Patient-Centered Care
America’s Best Medicare Health Plans

1. Kaiser Foundation Health Plan of Southern California
2. Kaiser Foundation Health Plan of Northern California
3. Kaiser Foundation Health Plan of the Northwest
4. Kaiser Foundation Health Plan of Colorado
5. Kaiser Foundation Health Plan of Hawaii
6. Capital Health Plan
7. Geisinger Health Plan
8. Kaiser Foundation Health Plan of the Mid-Atlantic States
9. Capital District Physicians’ Health Plan
10. Security Health Plan of Wisconsin

Source: NCQA: America’s Best Health Insurance Plans (Medicare) 2013-2014
Kaiser Permanente’s Key Success Factors

- Clear, agreed upon, mission
- Clinical leadership
- Culture of measurement, comparison, acknowledgement, learning, and improvement
- Aligned structure and incentives
- Integrated information technology

Part 2:
Quality Journey
What Would a Transformed Organization Look Like?

A place where

- the patient’s voice is heard and drives design
- physicians and staff experience reward and joy in their work
- there is a lean, judicious use of resources
- there is continuous learning
- goals for affordability, quality and service are achieved

The Kaiser Permanente Quality Journey

THE WILL
Understanding and acknowledging reality

IDEAS
Working top down and bottom up

EXECUTION
Macro System
Meso and Micro System

Alignment
Macro System
Meso and Micro System

Macro System
Meso and Micro System
Transforming Quality and Service is a Challenge

Lessons Learned:

- Seek support/Begin a social movement – the journey is long and hard
- Ambitious vision & real plan to drive faster improvement
- System level measures prompt transformation
- Redesign care across complex systems
- Leaders find themselves in new roles and working differently (and happier)
- Rebuilding the infrastructure and improvement capabilities needs substantial attention
- Not for the faint of heart

IHI Seven leadership points to leverage

1. Establish and oversee specific system-level aims at the highest governance level
2. Develop an executable strategy to achieve the system-level aims and oversee their execution at the highest governance level
3. Channel leadership attention to system-level improvement: Personal leadership, leadership systems and transparency
4. Put patients and families on the improvement team
5. Make the chief financial officer a quality champion
6. Engage physicians
7. Build improvement capability
Establish System-Wide Aim at the Highest Governance Level

"Our goal as an industry, and my goal at Kaiser Permanente, must go beyond slowing the rise in health care costs. We need to drive costs down. Accomplishing this goal will not only benefit our current and future members, it will also contribute to driving America toward a healthier, more sustainable and more sensible health care delivery system. That's good for the country and for every single American.”

- Bernard Tyson, CEO, Kaiser Foundation Health Plan and Hospitals

"We need to make health care a “Learning Industry.” The inflection point won’t come from one bright leader or one superb organization ... We can only achieve this inflection point by being interconnected, by working collaboratively, by learning together. We can’t treat our way out of this crisis, we must learn our way out of it.”

- Jack Cochran, MD, Executive Director, The Permanente Federation

Whole System Measures:

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
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<tbody>
<tr>
<td>Patient Safety</td>
<td>2 Regions hit patient Safety Target</td>
<td>3 Regions hit patient Safety Target</td>
<td>4 Regions hit patient Safety Target</td>
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<tr>
<td>Service</td>
<td>Inpatient @ 85th Percentile; Outpatient @ 90th Percentile in 7 of 8 regions</td>
<td>Inpatient @ 85th Percentile; Outpatient @ 90th Percentile in 8 of 8 regions</td>
<td>Inpatient @ 90th Percentile; Outpatient @ 90th Percentile in 8 of 8 regions</td>
</tr>
<tr>
<td>HSMR</td>
<td>Maintain HSMR below US Medicare</td>
<td>Maintain HSMR below US Medicare</td>
<td>Maintain HSMR below US Medicare</td>
</tr>
<tr>
<td>Equitable Care</td>
<td>Decrease the gap by 25%</td>
<td>Decrease the gap by 25%</td>
<td>Decrease the gap by 25%</td>
</tr>
</tbody>
</table>
Establish and Measure Multi-Year Whole System Goals

- Be transparent with performance across the organization
- Celebrate high performers
- Be attentive to low performers
- Create a multiyear approach
- Aligns with accountabilities and incentives

Value Focus and Core Strategies

Transforming Health Care

- Focus on Value
  - Quality Care
  - Safety
  - Experience
  - Affordability
  - Total Health

- Core Strategies
  - Empower and Personalize
  - Provide Expert Evidence-Based Care
  - Work Together Seamlessly
  - Innovate Care to Enable Access Anywhere
  - Activate all Levers for Total Health

Guided by the mission and vision, we have renewed our focus priorities to create the health care value our members and communities expect and deserve. We will create this value by employing core strategies in ways unique to KP. This strategic plan presents KP performance and demonstrates our approach to caring for our members and communities through examples and descriptions of how we will lead health care transformation.
**Tremendous Improvement in Member Satisfaction with the Health Care they Receive**

Ambulatory Service Performance: Health Care Rating

Legend:
- Blue = Program trend
- Black = benchmark

Drivers
- Focus on leadership
- Alignment of goals
- Engagement of front-line

Key Initiatives
- Access improvement practices
- Communications
- Culture of Excellence

---

**Great Progress on Hospital Service**

Hospital Service Performance: Overall Hospital Satisfaction

Legend:
- Blue = Program trend
- Black = benchmark

Drivers
- Focus on leadership
- Alignment of goals
- Engagement of front-line

Key Initiatives
- NKE Behaviors
- Communication Modules
- Culture of Excellence
Leveraging the Power of Electronic Health Records: Improved Ambulatory Care

Ambulatory Performance: HEDIS Composite

Drivers
- Population care
- Decision support
- KP.org

Dramatic Improvement in Colorectal Cancer Screening

Ambulatory Performance: Colorectal Cancer Screening

Drivers
- Utilization of FOBT test kits
- Interactive Voice Recording
- Education and awareness
- KP HealthConnect
Continuing to Lead in Cardiovascular Care

Ambulatory Performance: Cardiovascular Care Subscale

Drivers
- Panel management
- Alignment with goals

Steady Improvements in Diabetes Care Leading to Benchmark Performance

Ambulatory Performance: Diabetes Care Subscale

Drivers
- Panel management
- Alignment with goals
Dramatic Reduction in Risk Adjusted Hospital Mortality

Inpatient Outcomes: Hospital Standardized Mortality Ratios

- KP - All Facilities
- US Medicare Overall
- Kaiser Foundation Hospital

Inpatient Mortality Reduction Driver

Aim

Primary Drivers
- No Needless Harm
- Reduce Overall Admits and Readmits
- Most Appropriate Setting

Secondary Drivers
- Preventable Deterioration
- Preventable Harm
- Preventable Complications
- Population and Chronic Care Programs
- Reliable and Safe Transitions
- Life Care Planning
- Home and Continuum Capacity

Selected Initiatives
- Sepsis Initiative
- Sedation and Ambulation Protocols
- Blood Stream, C Diff, MRSA Infection Reduction
- Falls and Hospital Acquired Pressure Ulcers
- Perinatal Outcomes
- Antibiotic Stewardship
- Healthy Bones
- Disease Programs
- Readmission Diagnostic Transition Bundle
- Throughput: Ed, OR
- Palliative Care
- SNF Rounding
Progress on Key Indicators: 2008 - 2012

Hospital Standardized Mortality Ratio 36%
BSI Rolling 12 Mo. Rate 35%
Cdiff 19%
SRAES 54%
HAPUS 82%
Readmissions 7%
Inpatient Utilization 21%
RFO 20%
Worker Injury Rates 30%

Significant Reduction in Use of Inpatient Beds
National Patient Day Rate

Inpatient Days per 1000, 2010Jun-2013Jun
All Lines of Business, All Regions, Unadjusted

Source: Inpatient Days per 1000 report, National Inpatient Analytic
Continuous Improvement System Execution in a System

Define Breakthrough Goals

Spread and sustain

Provide Leadership for Large system Projects

Manage Local Improvement

Provide Day-to-Day Leaders for Micro Systems

Develop Capability

Source: IHI 2008

Implementation of KP’s PI System: Planning to Achieve Big Results Over Time

2008
- Improvement Advisor
- Leadership
- First project
- Oversight responsibility
- Several teams
- 90 days

2009-2011
- Several Improvement Advisors
- Prioritization and portfolios
- Oversight groups
- Sponsor and champion accountability by service
- Team development and alignment of goals

2012 and beyond
- Service line IA’s
- All leaders know role and skills
- Prioritization and oversight in operations
- Alignment of portfolios
- Standard work
- Teams know goals and test change

Learning and sharing systems regionally and program-wide Improvement Institute

Level of Project Difficulty

Project

Portfolio

Whole system

Continuous Improvement

Mentors
Discussion

- What do you see as the barriers to achieving excellence?
- What big, clear goals have your leaders set out?

Break: 10 minutes
Part 3: Physician Leadership and Engagement

“Our greatest responsibility is to be good ancestors.”

- Jonas Salk
Is Excellent Good Enough?

US Spending as Percent of GDP

<table>
<thead>
<tr>
<th></th>
<th>Education</th>
<th>Defense</th>
<th>Health Care</th>
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</thead>
<tbody>
<tr>
<td>1960</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>2010</td>
<td>6%</td>
<td>5%</td>
<td>18%</td>
</tr>
</tbody>
</table>

Source: The Economist Pocket World in Figures, 2013 Edition
Meet Teacher Dan

$7,300  Salary increase 2002 – 2012

-$15,418  Inflation

-$4,296  Health benefit contribution increase

-$12,414  Actual salary change

Critical Confluence

- Affordability
- Workforce shortages
- Career Sustainability
- Patient focus
- Technology
- Health reform
- Aging population
- Economic crisis
A Fundamental Shift

Doctors Are Trusted

Most credible sources for health-related information

- Doctor: 88%
- Pharmacist: 81%
- Nurse: 77%
- Nutritionist or dietician: 75%
- Academic or expert on a health issue: 72%
- Someone living with a disease or condition: 65%
- Health or science expert in a company: 62%
- Friend or family member: 55%
- NGO representative: 45%
- Government official/regulator: 31%
- Journalist or reporter: 29%
- Regular employee: 24%
- CEO: 22%
- A celebrity: 17%

Q106 - 119. Below is a list of people. In general if you heard health-related information from that person, how credible do you think that information would be? (Global) (Top 2 Box = Credible = Extremely Credible/Somewhat Credible)
Doctors Are Dissatisfied

68% Feel Negative about the Current State of the Medical Profession

77% Feel Negative about the Future of the Medical Profession

“A Survey of America’s Physicians: Practice Patterns and Perspectives”
The Physician’s Foundation, September 2012

Doctors Don’t Believe They Are Responsible for Health Care Costs

2012 Physician Survey: Who has major responsibility for reducing health care costs?

- Trial Lawyers: 60%
- Health Insurance Companies: 59%
- Hospitals and Health Systems: 56%
- Pharmaceutical and Device Manufacturers: 56%
- Patients: 52%
- Practicing Physicians: 38%
Why Should Physicians Lead Health Care Transformation?

Clear Values & Expectations

- Recruit
- Orient
- Develop
- Evaluate
- Promote
Leadership Styles & Actions ➔ BEST CAREER People, Culture ➔ BEST CARE & VALUE Quality, Service, Cost ➔ BEST SOLUTION Safe, Equitable, Accessible, Affordable

Healer
Leader
Partner
Leadership Traits

- Integrity
- Highly respected clinician
- Emotional intelligence
- Enterprise ownership
- Passion

Leadership Expectations

- Performance
- Communication
- Learning
- Resolve
Value Dissent
Challenge Cynicism

Leadership Behaviors

- Clarity
- Consistency
- Collaboration
- Compassion
- Courage
Companies should create conditions for people to find the joy in work itself
To us, leadership is everyone’s business. Leadership is not about a position or a place. It’s an attitude and a sense of responsibility for making a difference.

Kouzes and Posner

A Fundamental Shift

KAISER PERMANENTE®
Asking New Questions

From
How many patients can you see?
To
How many patients’ problems can you solve?

From
How can we encourage and convince patients to get required prevention?
To
How can we create systems that significantly increase that patients get required prevention?

From
How often should a physician see a patient to optimally monitor a condition?
To
What is the best way to optimally monitor a condition?
Physician Engagement in HIT Development and Deployment: The Kaiser Permanente “Collaborative Build”

Successful Rapid Roll-out of EHR

- EHR deployed with full functionality to 5,000+ users in 4 weeks!
- 27,000 hours of training over two months
- Majority of physicians back to full schedules 30 days after their initial go-live
- “Welcome to the starting line!”
Speed Does Not Come From Going Fast

It comes from:

- Sharing context
- Building capability – systems and leadership
- Clearly articulating the goal(s)
- Executing, to achieve early success (and to build trust)

Speed is created by the resulting momentum.
The Range of Impact of the Fully Accountable Physician

- Clinical Quality
- Resource Stewardship
- Information Technology Systems Development and Deployment
- Drug Formulary
- Research
- Public Policy
- Insurance Product Development and Customer Engagement
Discussion

- What challenges are you working through with/as physician leaders?

Break: 10 minutes
Part 4: Total Health

Why Total Health?

<table>
<thead>
<tr>
<th>Social and Economic Factors</th>
<th>Community Safety</th>
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<tbody>
<tr>
<td>Education/Literacy</td>
<td>Early Childhood</td>
</tr>
<tr>
<td>Employment</td>
<td>Race and Ethnicity</td>
</tr>
<tr>
<td>Income</td>
<td></td>
</tr>
<tr>
<td>Family and social support</td>
<td></td>
</tr>
</tbody>
</table>

San Francisco Bay Area – Kaiser Permanente Members Poverty, Diabetes and Obesity (2010)

- Per Capita Income ($):
  - <15k
  - 15k - 25k
  - 25k - 35k
  - 35k - 50k
  - >50k

- Diabetic Member Density:
  - Low
  - Mid
  - High

- Childhood Obesity:
  - Low
  - Mid
  - High
We are committed to helping our members, our workforce, their families, and our communities achieve Total Health through the services we provide and by promoting clinical, behavioral, environmental, and social actions that improve the health of all people.

Total Health is a state of complete physical, mental and social well-being for all people.

To be a Leader in Total Health by making lives better.

Kaiser Permanente Strategic Vision

Total Health: Support Our Members Through All Stages of Life

Staying Healthy

Returning to Health

Living Well with Chronic Conditions

Healthy Aging
Big Concepts

- Shift from Disease Management to Population Care
- Embracing Total Health
- Care Transformation
- Patient/Family Activation
- Social and Community Activation

What We’re Up Against
What We’re Up Against

Obesity Trends* Among U.S. Adults

(*BMI ≥30, or about 30 lbs. overweight for 5’4” person)
What does it mean?

The Epidemic of Overweight and Obesity

“I think we’re looking at a first generation of children who may live less long than their parents as a result of the consequences of overweight and type 2 diabetes.”

- Francine Ratner Kaufman, MD
  Head, Division of Endocrinology & Metabolism
  Children’s Hospital Los Angeles

Disrupt Current Defaults …
Drivers of Health
Many Factors Shape Health

Health is driven by multiple factors that are intricately linked – of which medical care is one component.

Drivers of Health

- Personal Behaviors 40%
- Family History and Genetics 30%
- Environmental and Social Factors 20%
- Medical Care 10%

Source: McGinnis et al, Health Affairs, 2002

...we are developing a more sophisticated analytical model to deepen our understanding of effective interventions.

Programs and Policies

- Social & Economic Factors
  - Education
  - Employment
  - Income
  - Family & social support
  - Community safety
  - Culture

- Physical Environments
  - Built environment
  - Food environment
  - Media/information environment
  - Environmental quality

- Clinical Care and Prevention
  - Access to care
  - Quality of care
  - Clinic-community integration

- Health Behaviors & Other Individual Factors
  - Diet & activity
  - Tobacco use
  - Alcohol use
  - Unsafe sex
  - Genetics
  - Spirituality
  - Resilience
  - Activation

- Health Outcomes And Wellbeing
  - Physiology
  - Disease and injury
  - Health and function
  - Wellbeing

We Must Address Health At All Levels

Deploying Kaiser Permanente Assets for Total Health

Physical and Mental Health Care
“Body, Mind and Spirit”

Individual / Family

Home / School / Worksite

Neighborhood / Community

Society

Community Health Initiatives

Health Education

Research and Technology

Walking Promotion

Environmental Stewardship

Access to Social and Economical Supports

Public Information

Worksite/Workforce Wellness

Public Policy

Focus on Schools and Kaiser Permanente’s Workforce
**Healthy Schools: Our Aim**

**Primary Goal**
- Improved Health
- Productivity, academic achievement, schools census as co-benefits

**Focus Areas**
- Healthy Eating
- Active Living
- School Climate

**Targets**
- Students
- Staff and teachers
- School environment

---

**Workforce Wellness: Where to Start**

- Healthy Eating
- Healthy Physical Environment
- Healthy Activity at Work
Getting our Workforce Walking

Step Up. Walk On...

What is KP Walk?!
KP Walk! is a program based on scientific research that highlights the significant disease prevention and health-promoting benefits of consistent walking. Like KP’s Thrive Across America program, it’s an inspiring journey designed to help you move more and have fun as you visit fascinating places along virtual trails.

Areas of strongest focus for the future

The Chronic Care Model

Community
Resources and Policies

Self-Management Support

Health Systems
Organization of Health Care

Delivery System Design
Decision Support

Clinical Information Systems

Informed, Activated Patient

Productive Interactions

Prepared, Proactive Practice Team

Improved Outcomes

Developed for The MacColl Institute
© 2009 VHA, Inc. Towne and Banks
The road ahead is challenging…but we can find a way.
Thank You

Alide Chase
Senior Vice President
Medicare Clinical Operations
and Population Care
Kaiser Permanente
(510) 271-5770
alide.l.chase@kp.org

Jack Cochran, MD
Executive Director
The Permanente Federation
Kaiser Permanente
(510) 271-5886
jack.h.cochran@kp.org