

DRIVERS BEHIND KAISER PERMANENTE'S ONGOING COMPETITIVE ADVANTAGE

Leadership Institute Roundtable
October 20, 2017

R. Roland Lyon

President

Kaiser Permanente Colorado

Mark D. Carvalho, MD

Vice President, Care Delivery for Expansion Markets

Colorado Permanente Medical Group

Mission & Vision Statements

Mission:

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

Vision Statement:

Spread health to all...
KP Colorado meets people where they are.



Founders (1945):
Henry J. Kaiser
Sidney R. Garfield, M.D.

Our Shared Agenda: Beliefs



Our Integrated Model

- Partnership between health plan & medical group
- Health plan & delivery system with aligned incentives
- Physicians are paid a salary with bonus tied to quality and service goals
- Practice evidence-based medicine
- Focus on wellness, preventive care & prevention
- Patient-centered medical home
- Early adopter of electronic medical records
- Recognized for high quality



KCPO Awards & Recognition

Commercial



Consistently rated
#1 Colorado
commercial plan by
the National
Committee for
Quality Assurance

Medicare



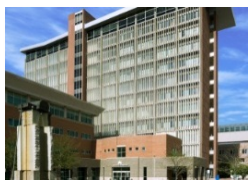
Five star rating for
eight years running
(since inception of
this rating system)

Member Satisfaction



Rated #1 in
Member Satisfaction
by J.D. Power for 10
consecutive years

Our History



Kaiser Permanente
Franklin Medical
Office Building



Pike's Peak, Colorado
Springs, CO

Kaiser
Permanente
Colorado
expands to
Pueblo and
builds Medical
Office Buildings
in the
**Southern
Colorado**
service area

**500,000
Members**



Kaiser Permanente
Fort Collins Medical
Office Building

Kaiser
Permanente
Colorado
expands to
**Mountain
Colorado**
service area
(Summit and
Eagle
Counties)

1969

1978

1997

2009

2010

2012

2014

2016

Kaiser
Permanente
Colorado opens
the Franklin
Medical Offices in
Denver; contracts
with St. Joseph
Hospital (SCL
Health)

**100,000
Members**

Kaiser
Permanente
Colorado
expands to
**Southern
Colorado** with
health plan
only
contracting (all
network
providers and
most local
hospitals)



Kaiser Permanente
Briargate Medical
Office Building

Kaiser
Permanente
Colorado
expands to
**Northern
Colorado** in
partnership
with



**600,000
Members**



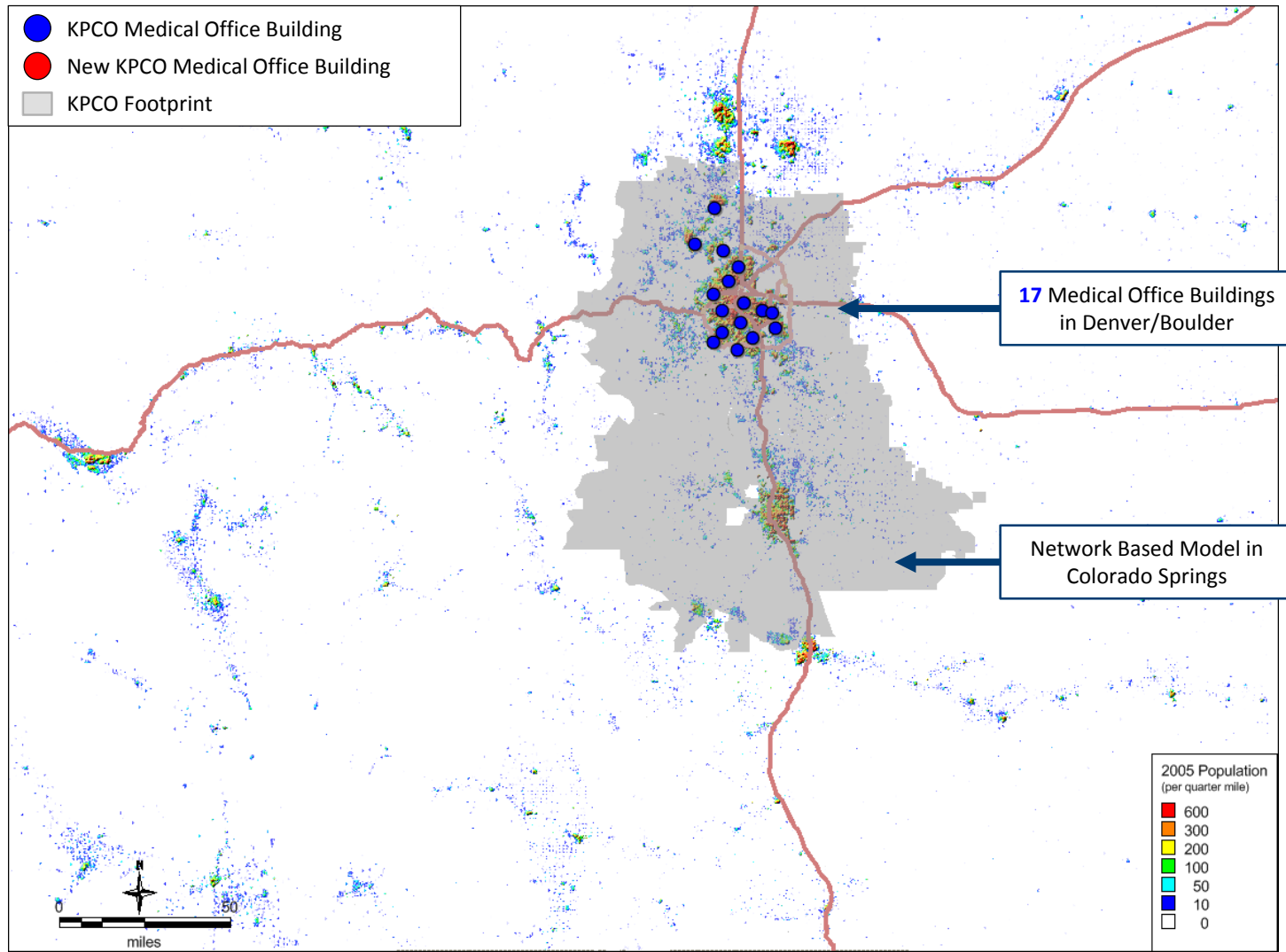
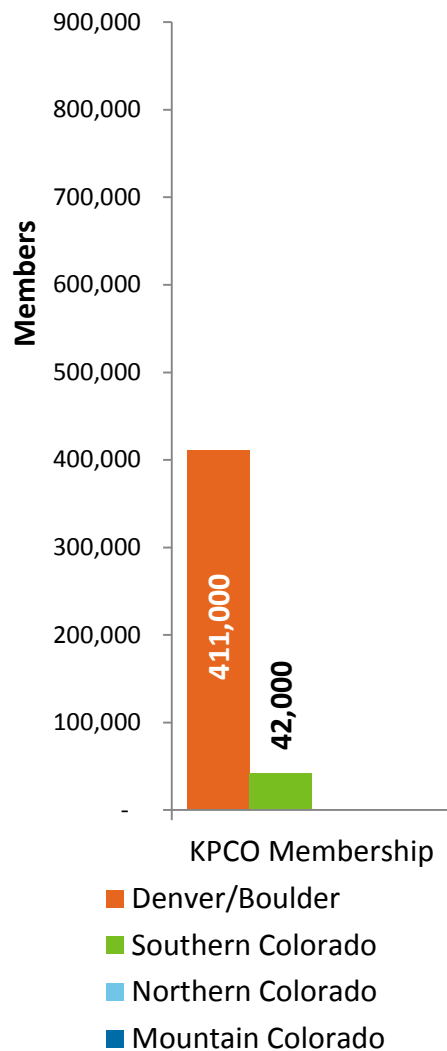
Kaiser Permanente
Frisco Medical Office
Building



Kaiser Permanente Colorado – 2005

KPCO Membership 2005

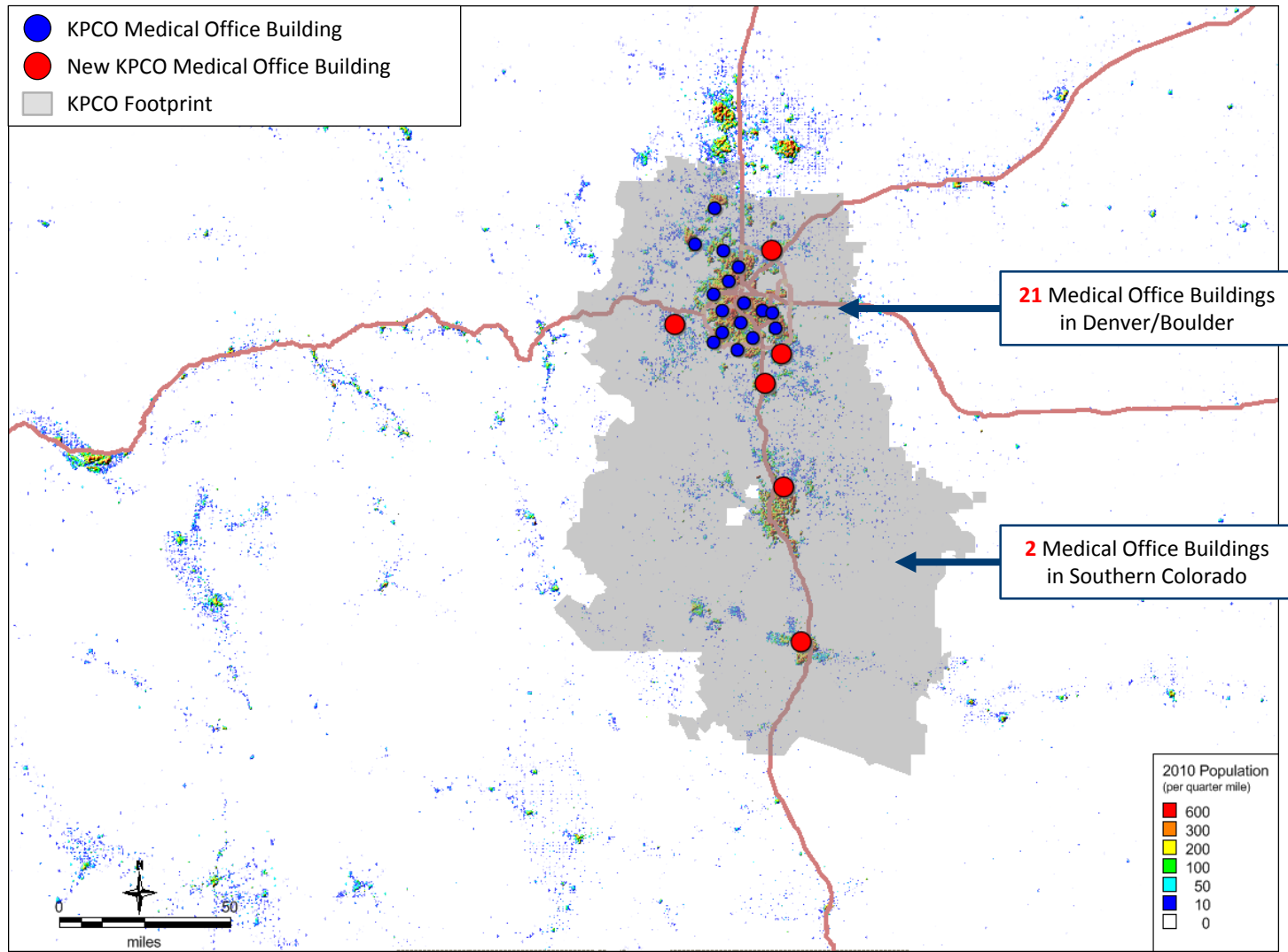
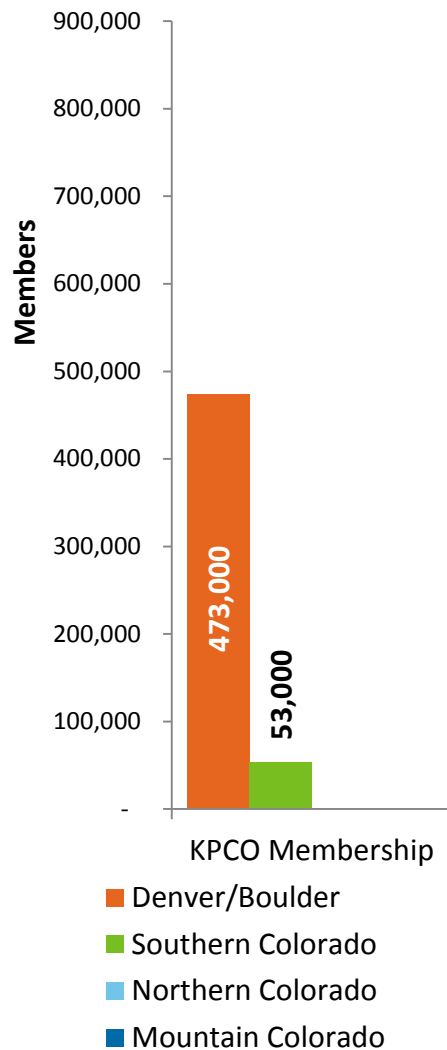
Total: 453,000*



Kaiser Permanente Colorado – 2010

KPCO Membership 2010

Total: 526,000*

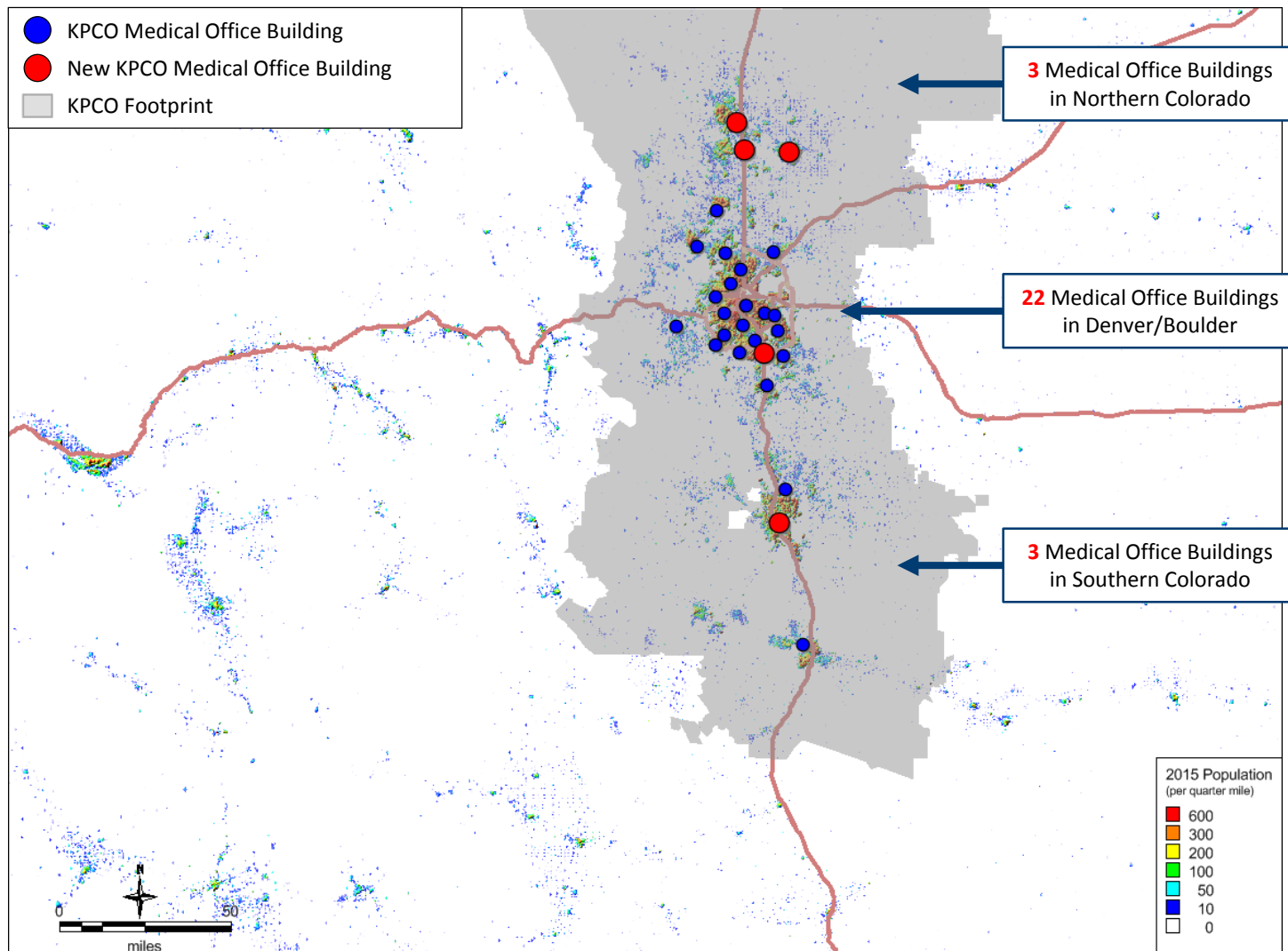
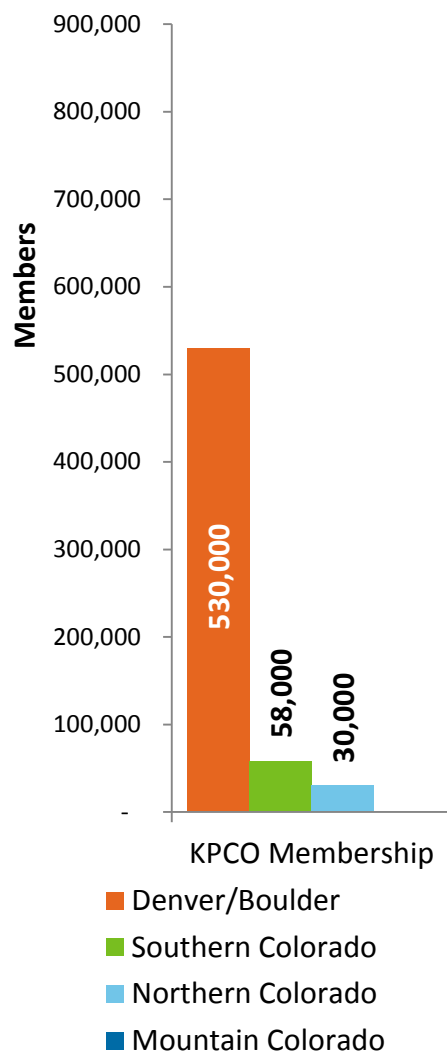


* Rounded membership

Kaiser Permanente Colorado – 2015

KPCO Membership 2015

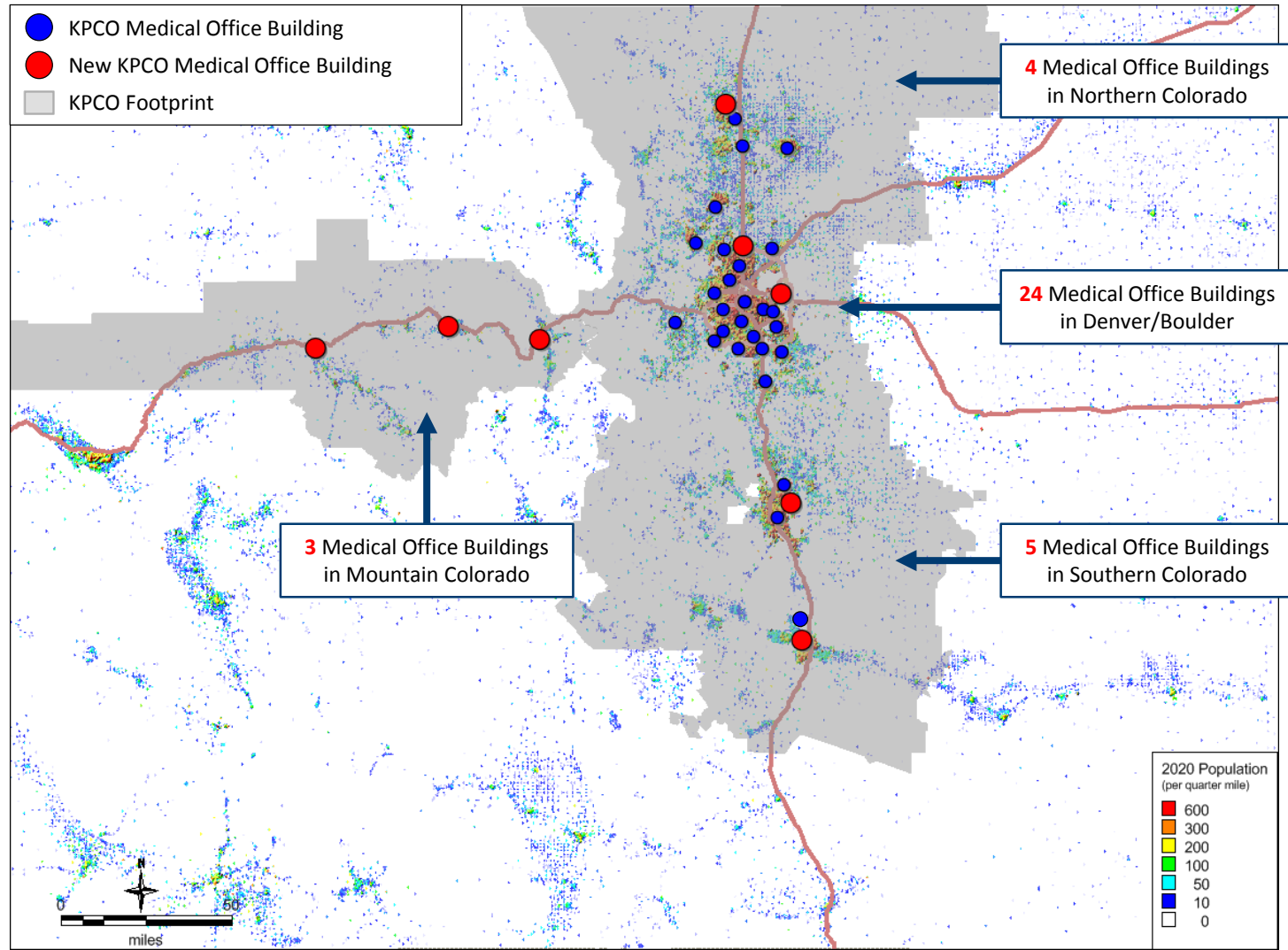
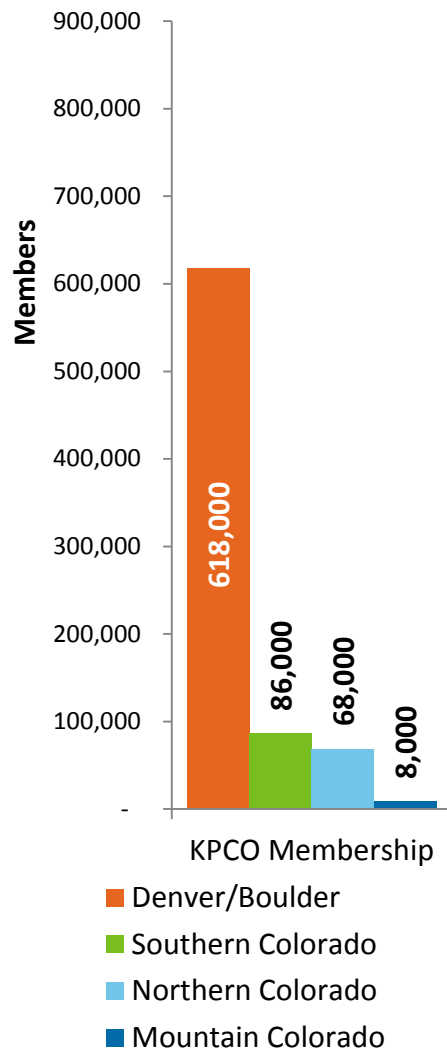
Total: 618,000*



Kaiser Permanente Colorado – 2020

KPCO Membership 2020

Total: 780,000*

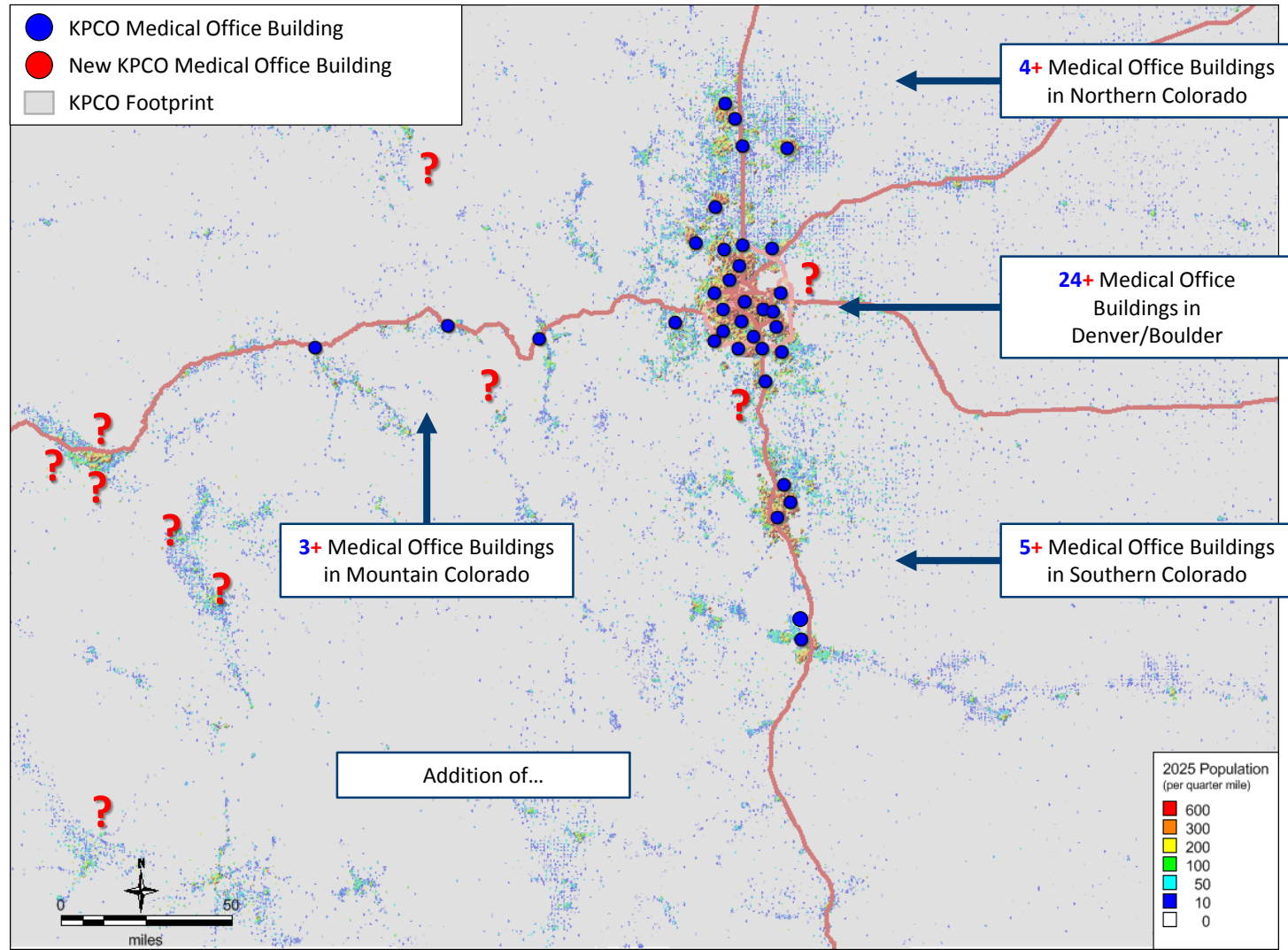
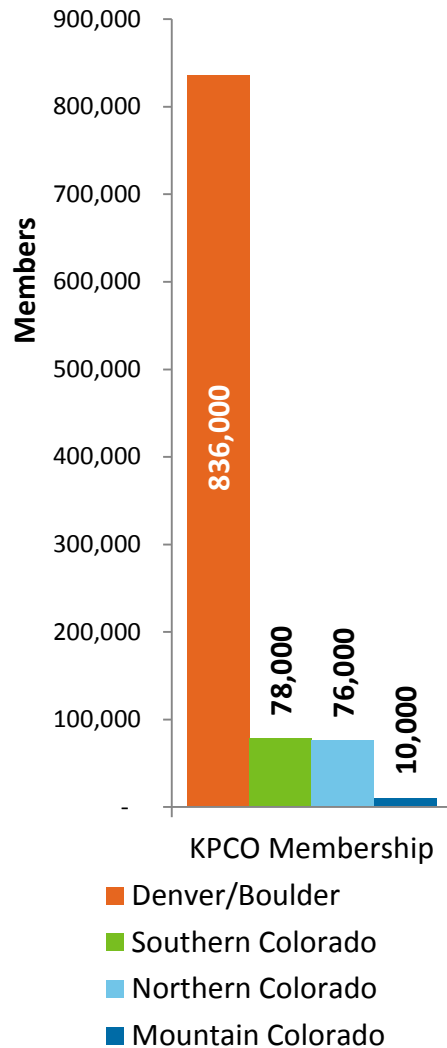


* Rounded membership

Kaiser Permanente Colorado – 2025

KPCO Membership 2025

Total: 1,000,000*



Care Delivery

	Denver / Boulder ¹	Southern Colorado	Northern Colorado	KPCO Service Area
Members (Aug 2017)	562,000	68,000	42,000	672,000
% of Care Delivered by CPMG ²	99%	39%	87%	95%
Medical Office Buildings	24	3	4	31
Contracted Hospitals (Core / Total)	6 / 30	7 / 8	3 / 7	16 / 45

¹ Includes Mountain Colorado

² Service Area Members bonded to KPCO Facility

Under the Hood—Integrated Care Services



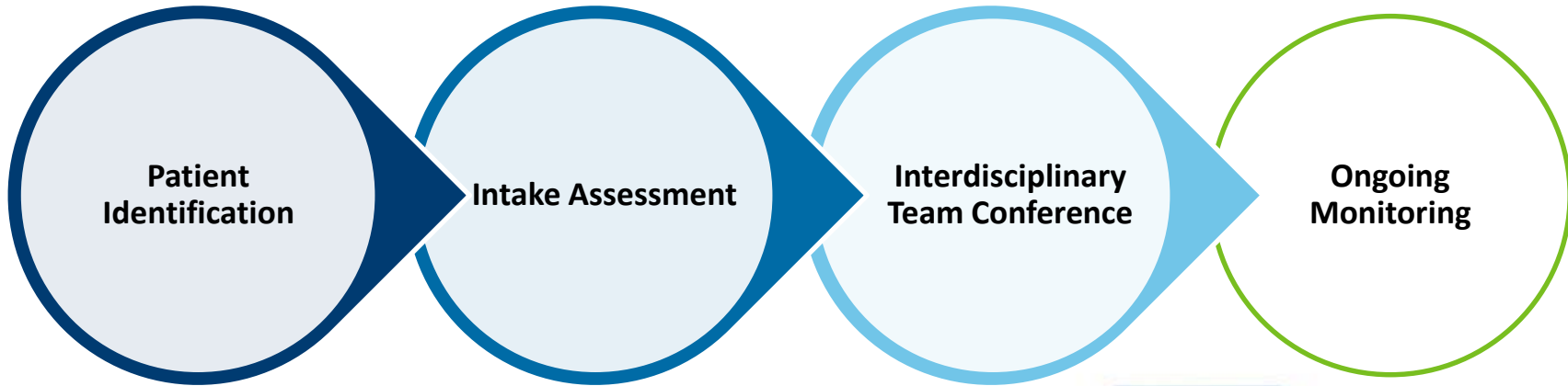
Blood Pressure Control



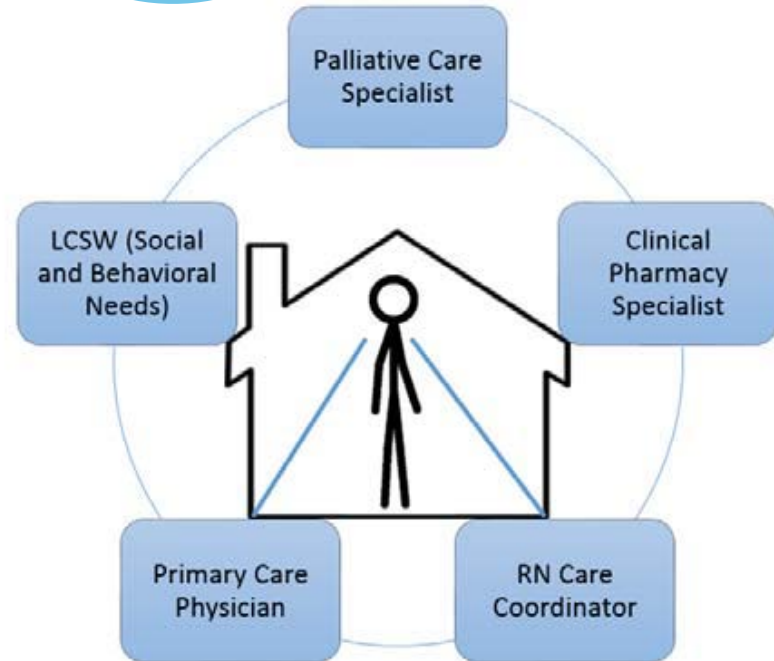
- KPCO was recognized as 1 of the 2 national 2012 Million Hearts™ Hypertension Control Champions
- Since January 2008, KPCO's focus on managing high blood pressure has resulted in improvement from an initial member control rate of 61% to its current control rate of 82%.

Primary Care Plus

- Proactive, interdisciplinary care, focused on what matters most to the member



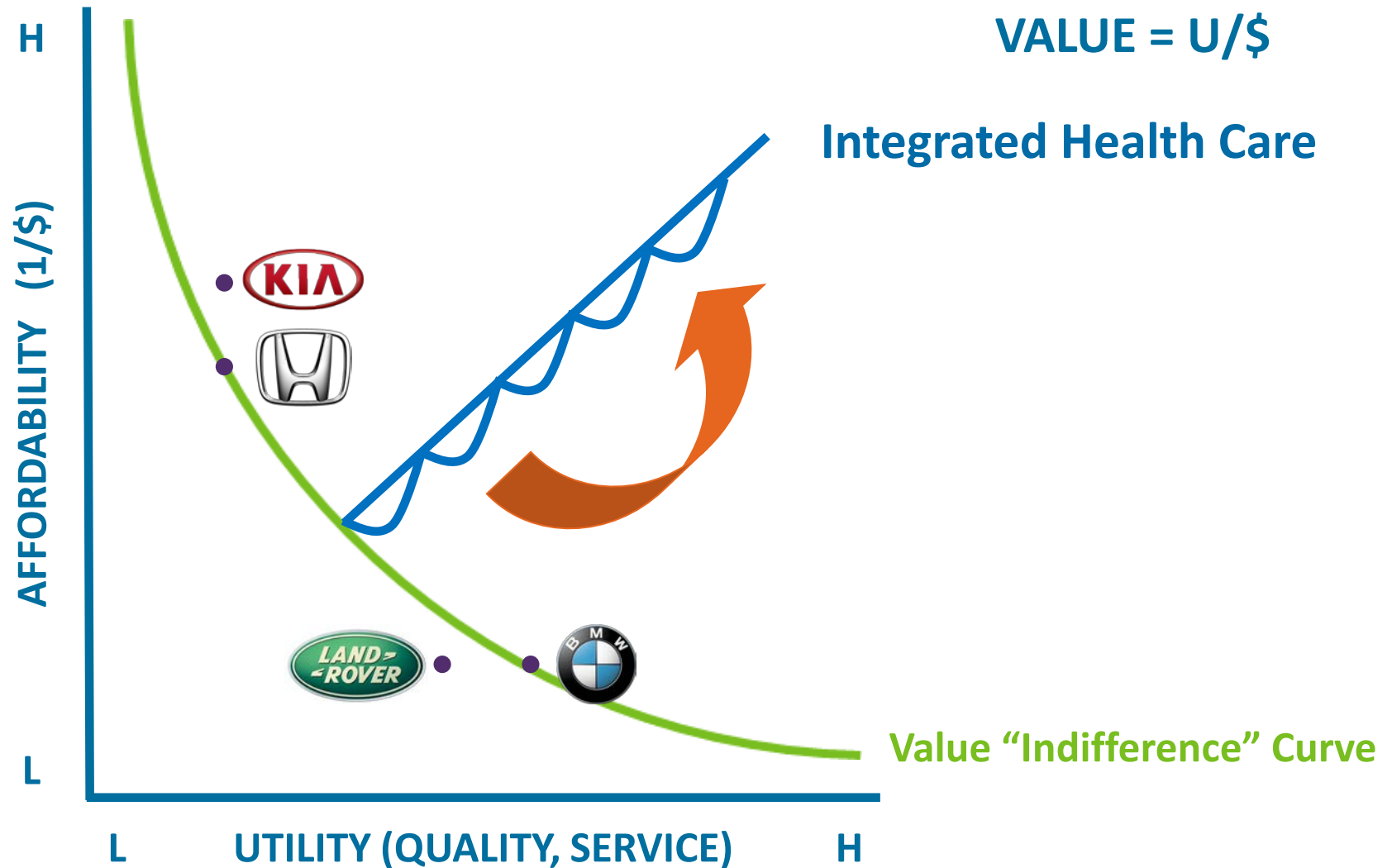
- The interdisciplinary team provides additional support for the member within the Patient Centered Medical Home



Primary Care Plus Results

- 18% decrease in mean total healthcare costs at 12 months for Primary Care Plus members vs. matched controls ($p=0.04$)
 - Cost savings in inpatient, emergency department, skilled nursing facility, and pharmacy expenditure buckets.
- Primary Care Plus members were more likely to have been screened for depression (74% vs 33%, $p<0.001$) and anxiety (62% vs 16%, $p<0.001$) vs matched controls
- Primary Care Plus members were more likely to have had clinically meaningful pharmacy interventions (10% vs 2%, $p<0.001$)
- No difference in all cause mortality
 - Tendency for higher hospice utilization (at 12 months) among Primary Care Plus decedents vs. matched controls (50% vs 31%, $p=0.14$)

Competitive Advantage: Value vs. Volume



Thank You



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**BLOOD PRESSURE.
YOU'RE GOING DOWN.**

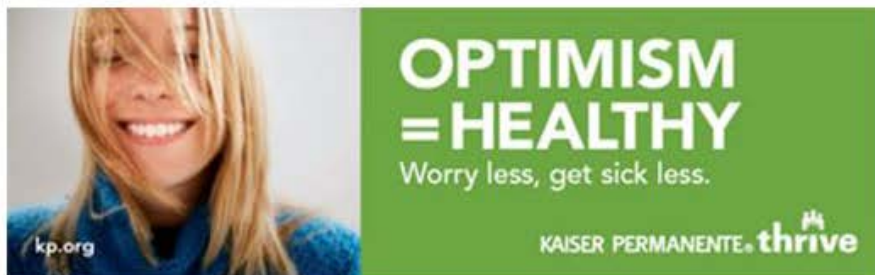
KAISER PERMANENTE **thrive**



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**FEWER HIP FRACTURES.
MORE HIP SENIORS.**

KAISER PERMANENTE **thrive**



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**OPTIMISM
= HEALTHY**
Worry less, get sick less.

KAISER PERMANENTE **thrive**



ON LINE.
ON THE
PHONE.
ON YOUR
SCHEDULE.

JOIN US »

thrive
KAISER PERMANENTE



**CHOICE =
HEALTHY**

JOIN US »

KAISER PERMANENTE **thrive**