Delivering the Right Care to the Right Patient: an Integrated Delivery System Approach

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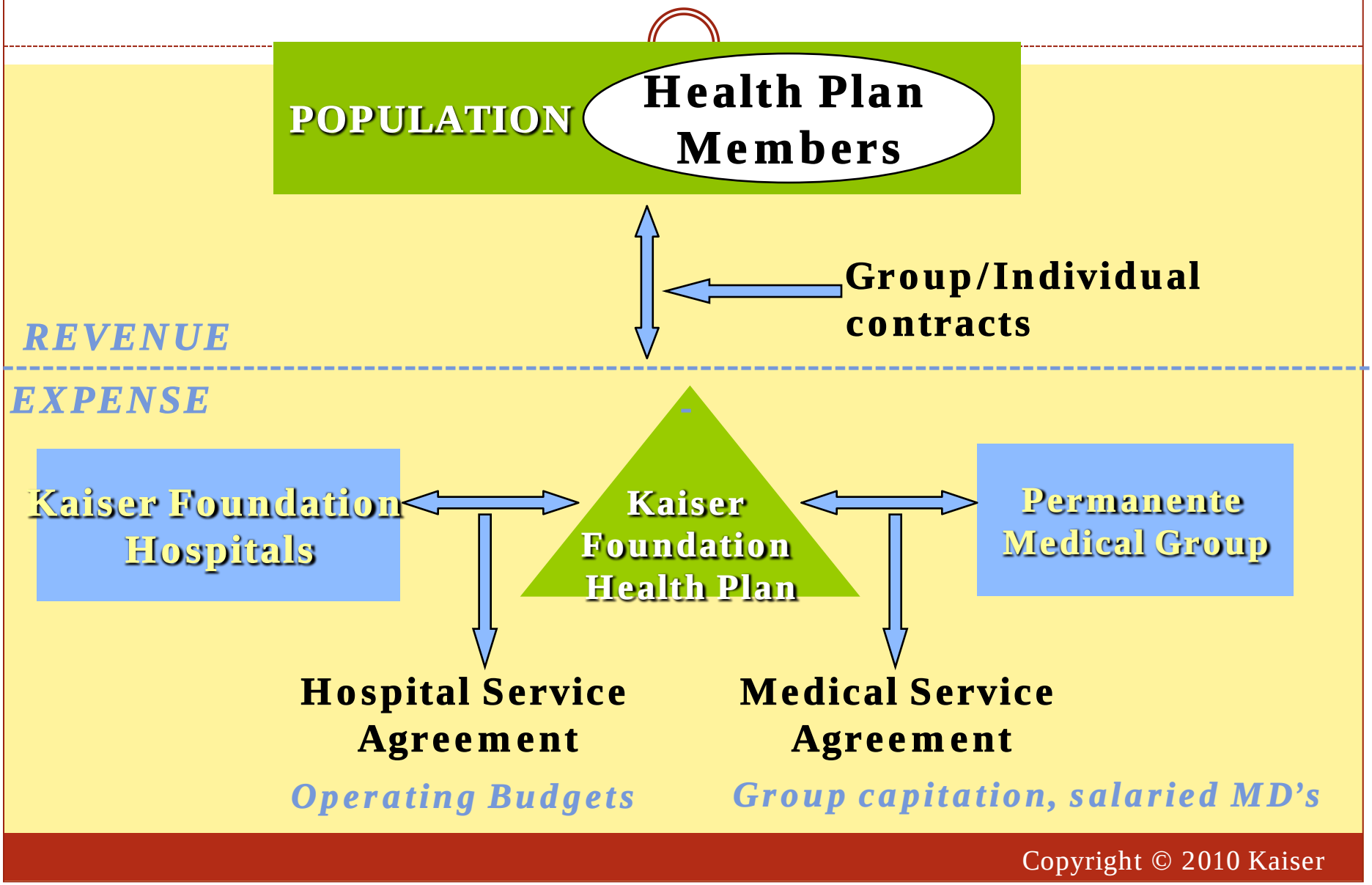
The Kaiser Permanente Context

- A 65 year journey: leveraging **integration** (financing and delivery; primary, specialty and ancillary services; institutional and professional services), **partnership** between a non-for-profit health plan, hospitals and self-governed and self managed medical groups; and **physician responsibility** for the quality and cost of care to deliver value to patients, members and benefit sponsors
- Organizational design, aligned incentives, and intentional culture of accountability for the quality *and cost* of the care we deliver enable the approach and the strategies to drive care delivery towards high value services



Delivering the right care: 30% science, 70% sociology

- The *science:*

  >**closing the "knowledge gap" -** clinical and translational research, comparative effectiveness research, evidence generation, systematic reviews

- The *sociology:*

  >**closing the "knowing gap":** making the right information easy to access: guideline development, academic detailing; decision support and "best practice alerts" embedded in EHR; traditional CME

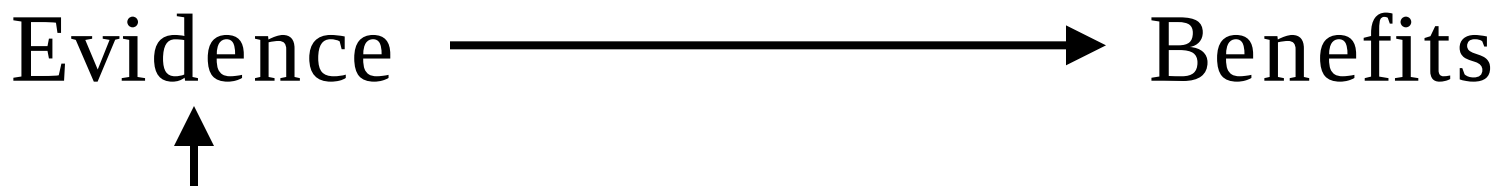
Delivering the right care: 30% science, 70% sociology

- The sociology:

  >**closing the "knowing – doing" gap:** making the right thing easy to do: respected clinical experts as champions; peer-to-peer academic detailing; actionable metrics, timely feedback, unblinded sharing of performance data; "P4P" (pride for performance)

  Intentional culture of stewardship of resources" and "shared fate"; incentives neutral to volume, with rewards for quality and patient satisfaction; commitment to QI; public recognition of success and celebration of performance; **trust** essential element

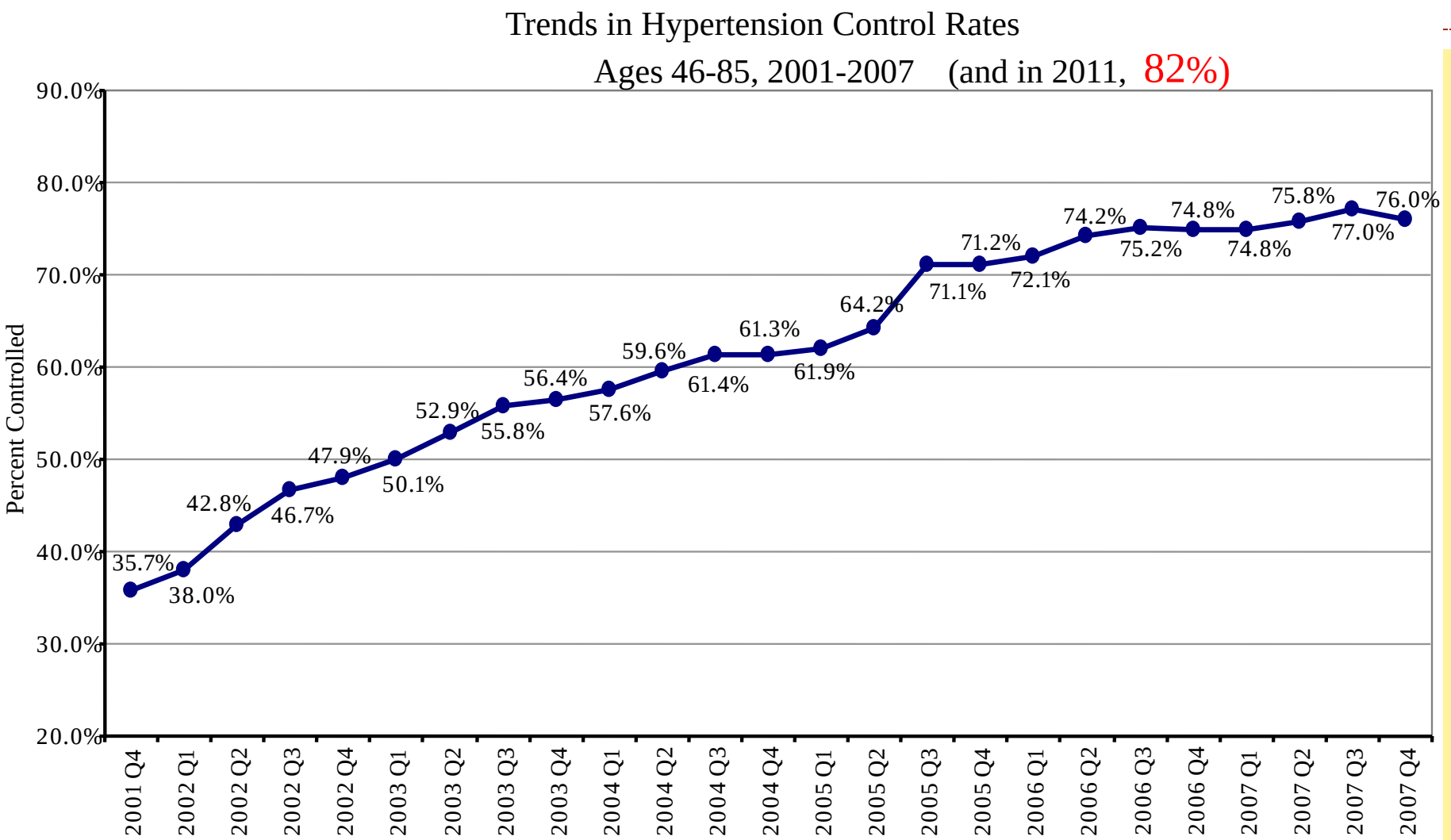
Translating Evidence Into Benefit: Cardiovascular Disease



Abundant Body of Evidence

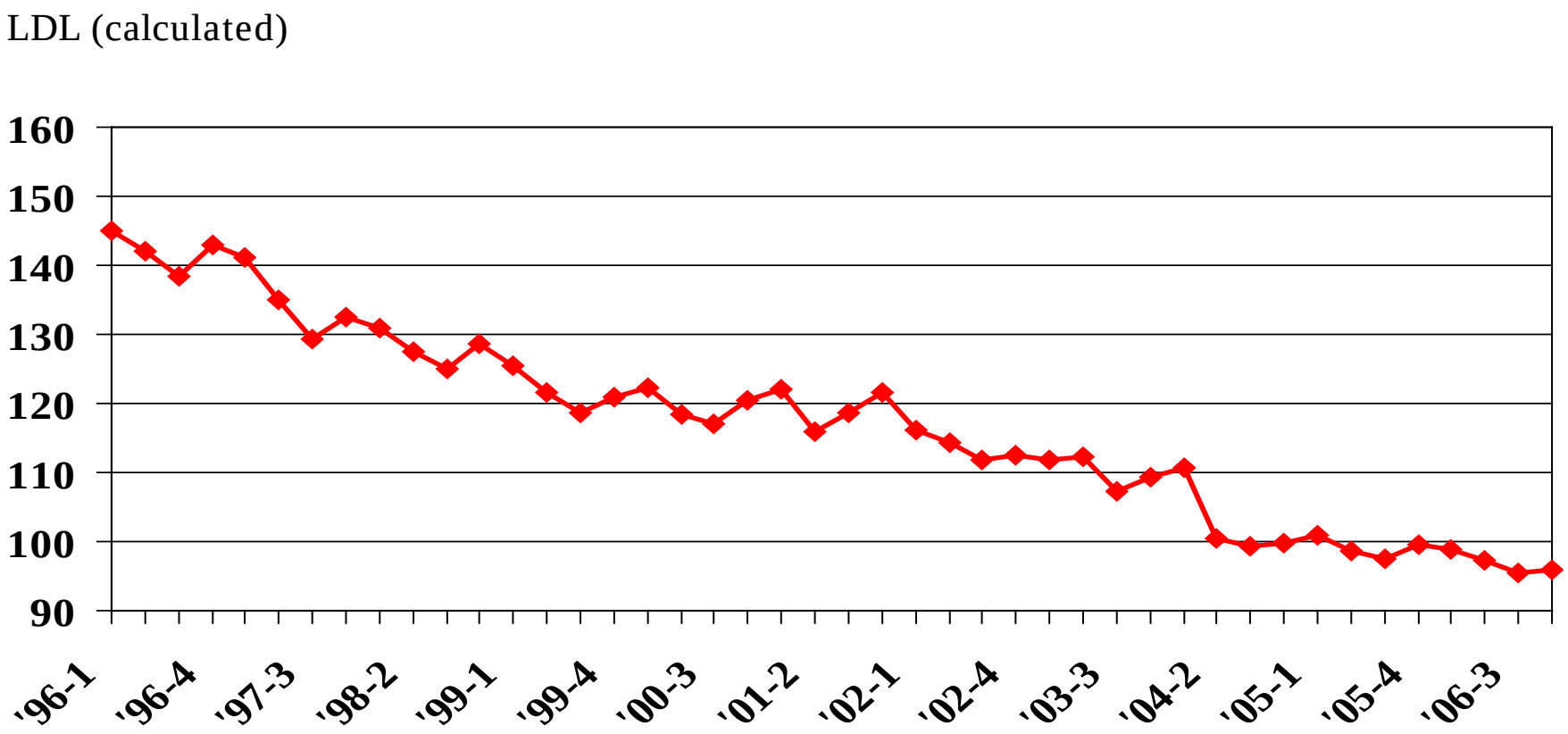
- A 13 point reduction in blood pressure can lower deaths due to CVD by 25%.
- 4 generic medications can reduce CV event risk by 50%.
- 7 interventions in the ED/Hospital can reduce mortality.
- Managing transition of HF patients from hospital to home can reduce readmissions and prevent catastrophic declines.

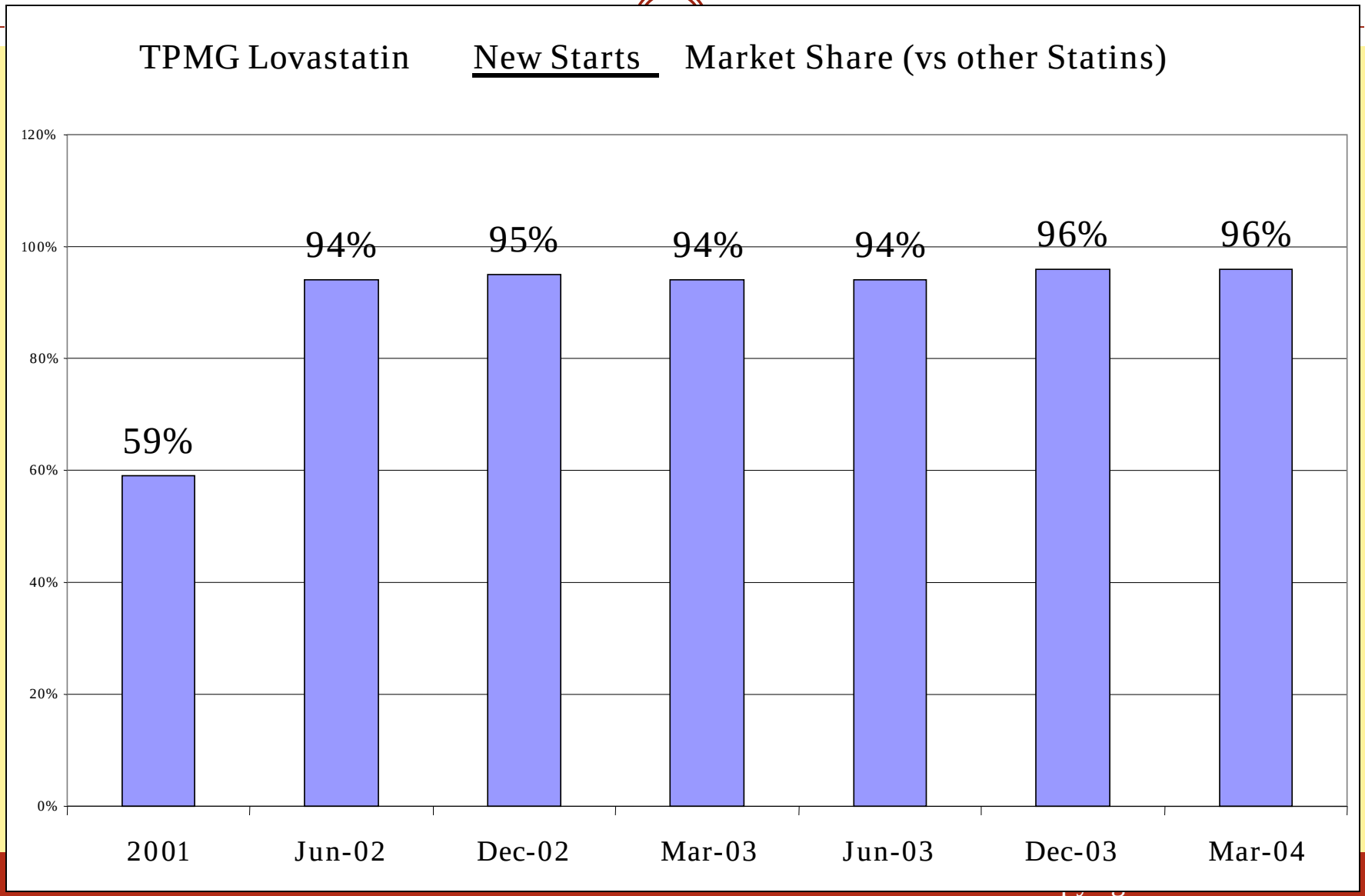
Hypertension Control



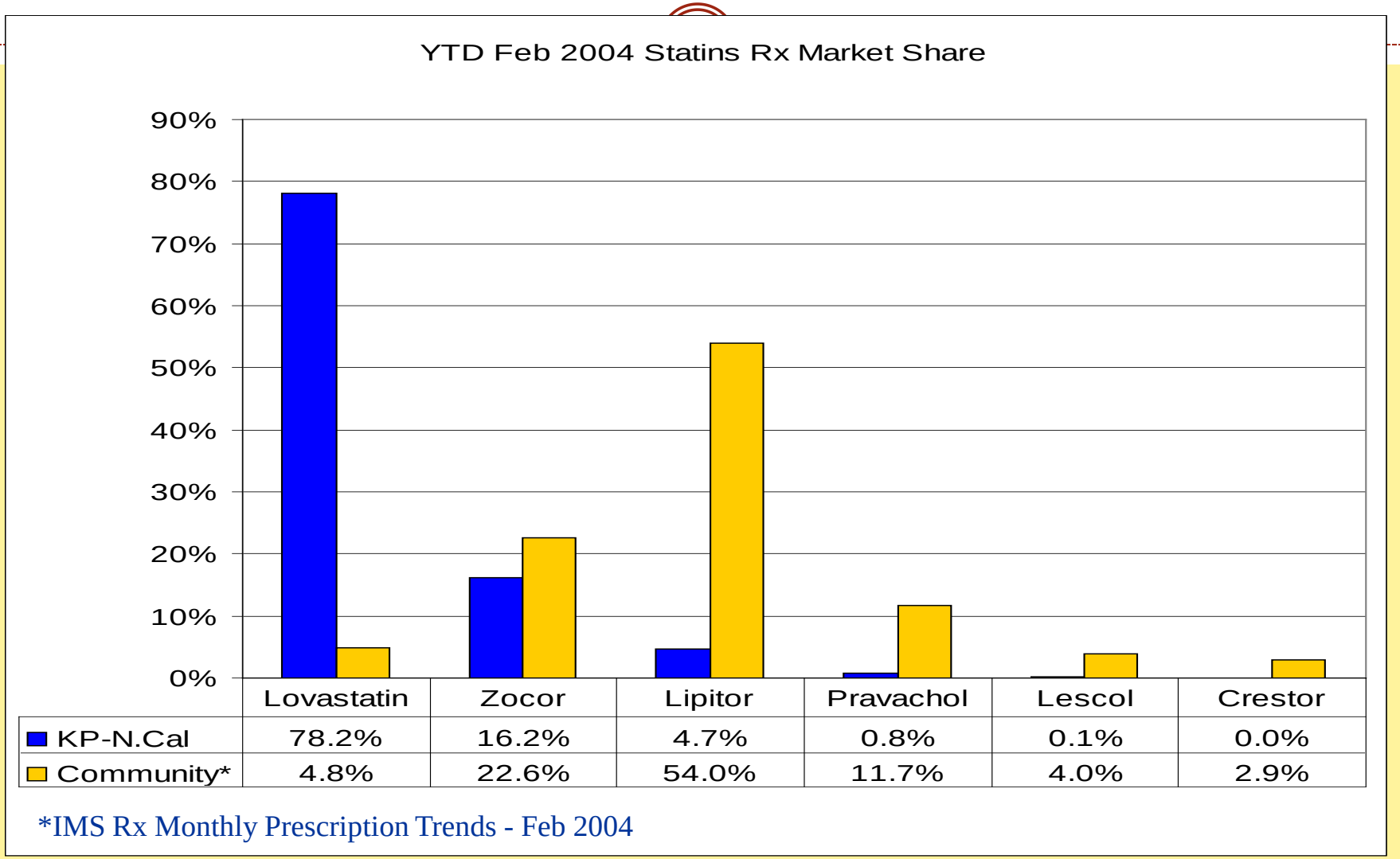
LDL Control: MI and Stroke Prevention

Mean LDL for Population with Diabetes (1996 – 2006)




TPMG Lovastatin New Starts Market Share (vs other Statins)
120%
100%
80%
60%
40%
20%
0%
59%
94%
95%
94%
94%
96%
96%
2001
Jun-02
Dec-02
Mar-03
Jun-03
Dec-03
Mar-04

Statins Rx Market Share - 2004



	Lovastatin	Zocor	Lipitor	Pravachol	Lescol	Crestor
KP-N.Cal	78.2%	16.2%	4.7%	0.8%	0.1%	0.0%
Community*	4.8%	22.6%	54.0%	11.7%	4.0%	2.9%

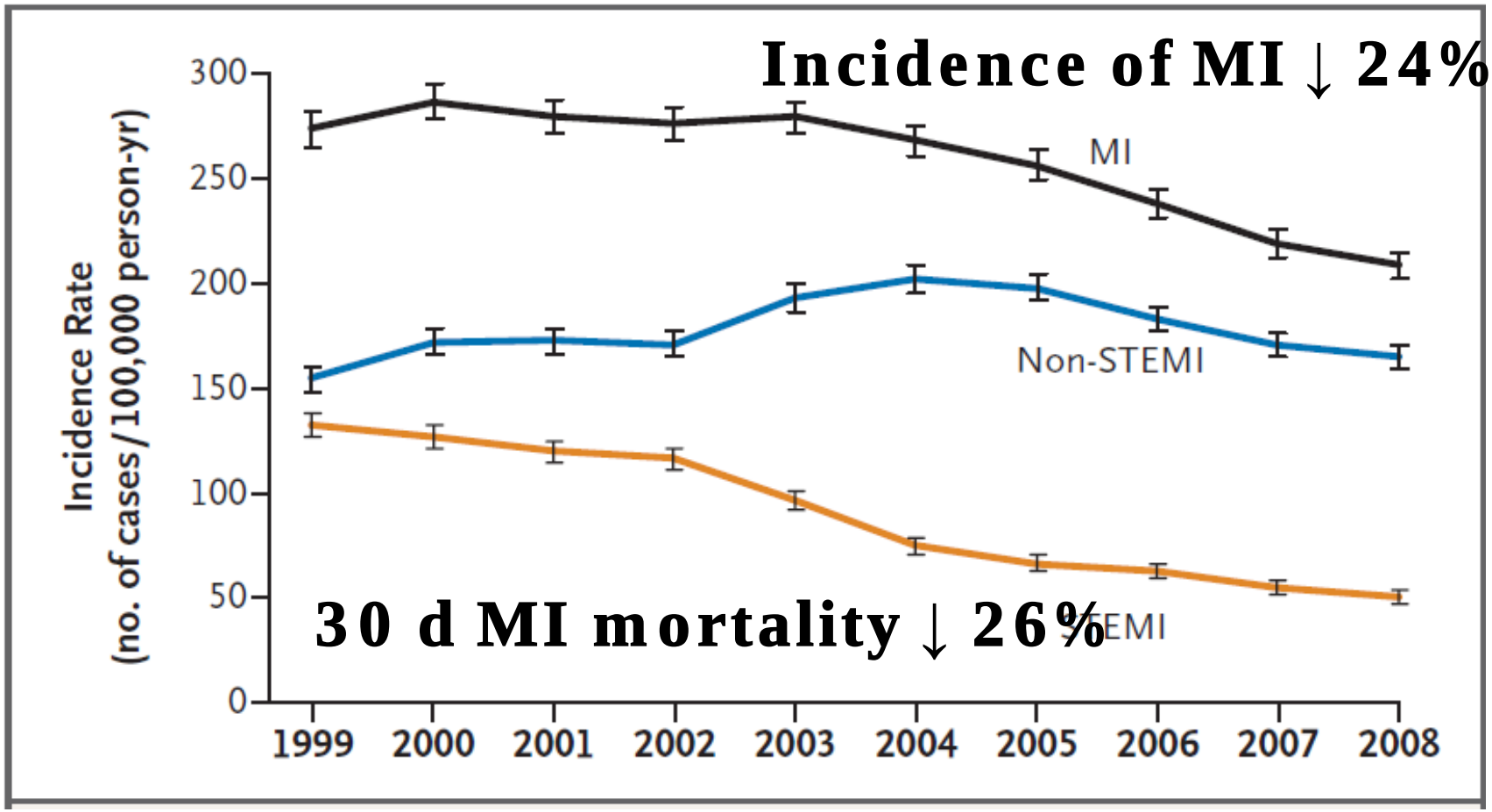
*IMS Rx Monthly Prescription Trends - Feb 2004

Critical Levers in Driving Performance

- Committed and effective physician leadership
- “White coats, not blue suits” as champions
- Culture of accountability; “stewardship as righteous work”
- Commitment not compliance; “P4P” (pride for performance)
- Measurement (actionable metrics), feedback, unblinded sharing of performance data – “revealing reports”, “data that drives” change in behavior
- Relentless focus, realistic timeframes, “critical few”
- Performance management, recognition, celebration
- Leverage technology/EHR, “best practice alerts” - judiciously

In KPHC, Age and Sex-Adjusted Incidence of MI and MI Mortality Are Declining

The NEW ENGLAND JOURNAL of MEDICINE



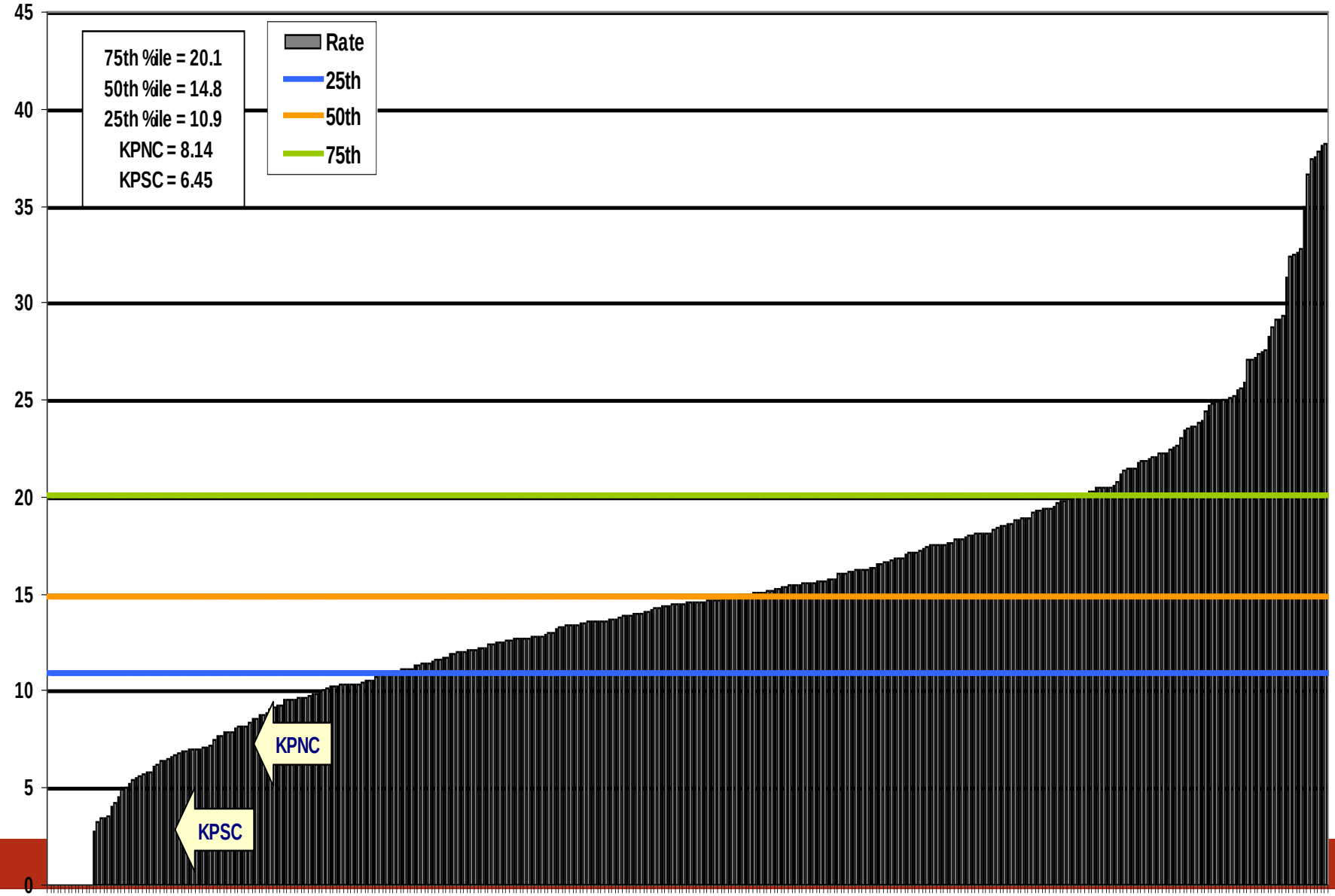
Yeh et al. NEJM 362;23 June 10, 2010.

Improving Outcomes

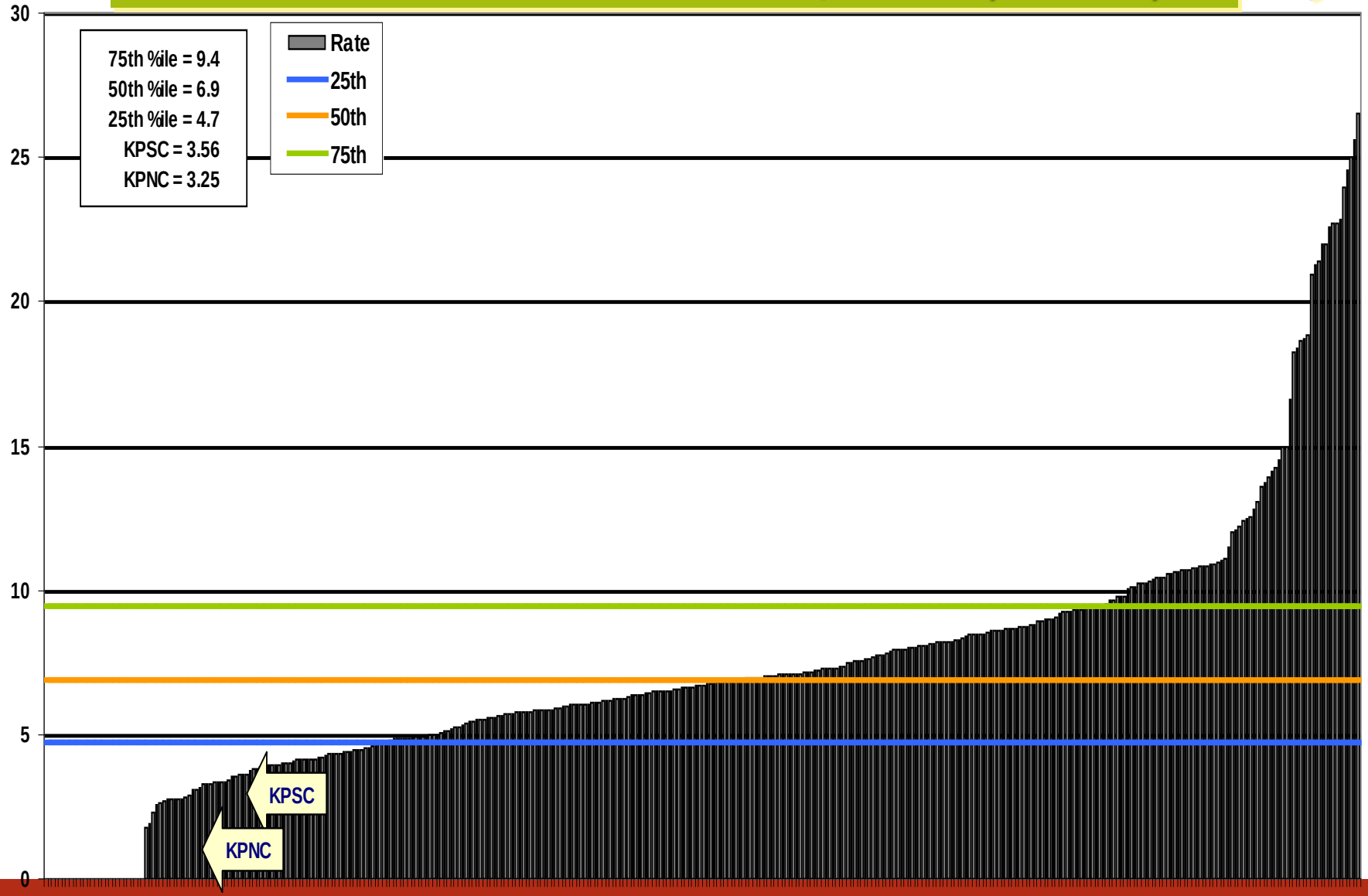
Year	Total AMI Admissions	Total AMI Hospital Deaths	% Mortality
2005	6,406	390	6.1%
2006	5,947	356	6.0%
2007	5,576	279	5.0%
2008	5,473	256	4.7%
2009	5,156	188	3.6%

52% reduction in AMI hospital deaths since 2005

2008: PCI per 1000 Males 65+ Commercial Members (HMO, PPO, POS)



2008: CABG per 1000 Males 65+ Commercial Members (HMO, PPO, POS)



ICD Implementation 2009
Kaiser Permanente Northern California

Appropriate Use

Biventricular ICD per Medicare / ACC Guidelines:

Nationally 70%

Kaiser NCAL 100%

ICD for Primary Prevention per Medicare/ACC Guidelines:

Nationally 79%

Kaiser NCAL 100%

Hammill et al., Heart Rhythm. 2009:6;1397-1401.

Hypothetical US Savings Opportunities - 2007

- **Lipid Lowering Drugs**
  - **US spending** **$18.3 billion**
  - **Hypothetical KP equiv. use** **$ 6.7 billion**
- **PPIs**
  - **US spending** **$14.1 billion**
  - **KP hypo.** **$ 3.3 billion**
- **Antipsychotics**
  - **US spending** **$13.1 billion**
  - **KP hypo.** **$ 5.1 billion**
- **Antidepressants**
  - **US spending** **$11.9 billion**
  - **KP hypo.** **$ 4.3 billion**
- **Seizure medications**
  - **US spending** **$10.2 billion**
  - **KP hypo.** **$ 5.3 billion**
- **Total difference** **$42.8 billion (5 classes) (IMS)**

CAN PHYSICIANS MANAGE THE QUALITY AND COSTS OF HEALTH CARE?

THE STORY OF THE PERMANENTE MEDICAL GROUP

JOHN G. SMILLIE, M.D.