

The Road Ahead: Recommendations for Successful Integrated Care

January 12, 2007
Bertelsmann Conference Center

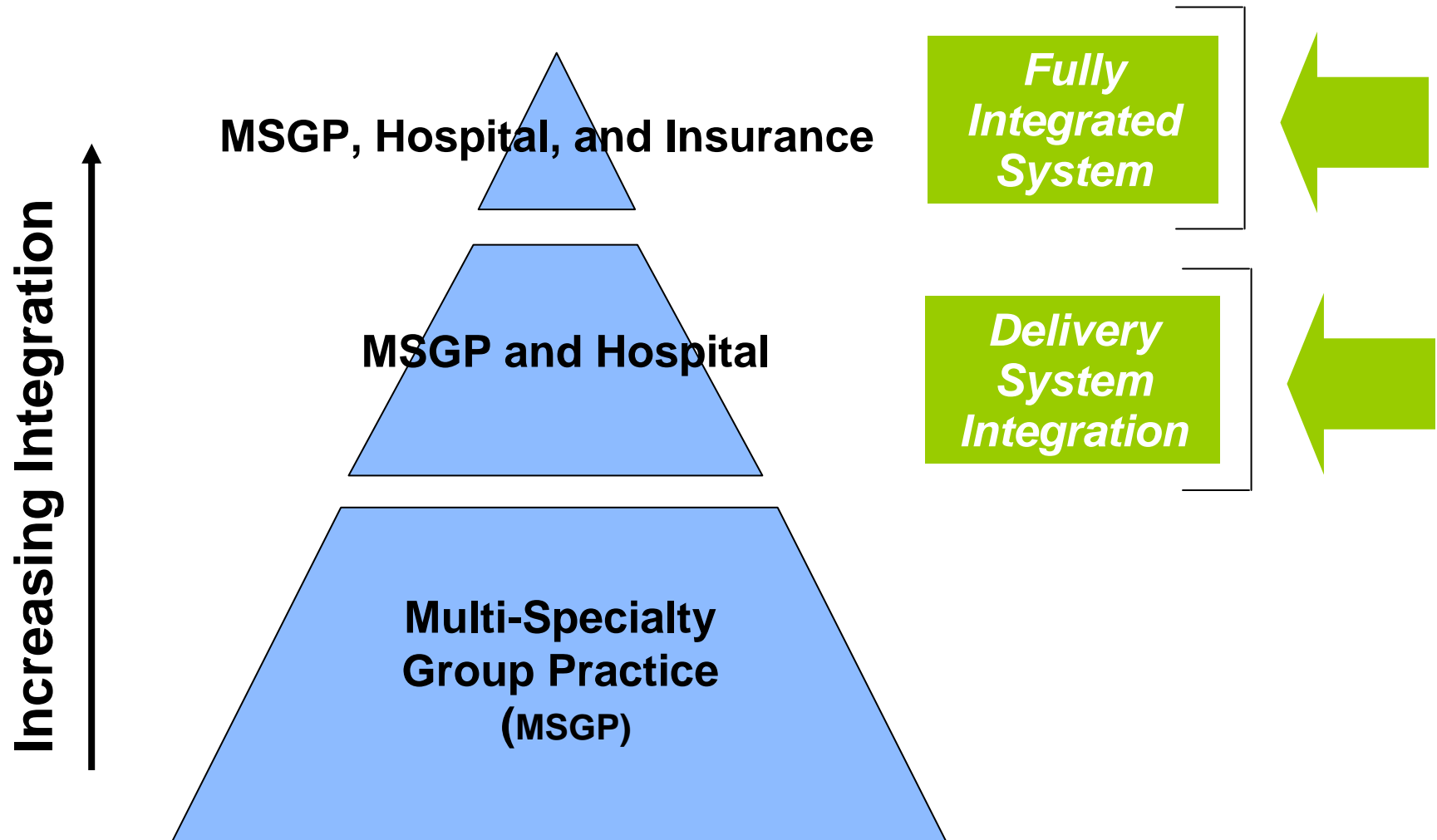
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Kaiser Permanente**

- What does integration in health care mean?
- Five areas to consider in planning for a successful integrated system

- What does integration in health care mean?

Levels of Integration



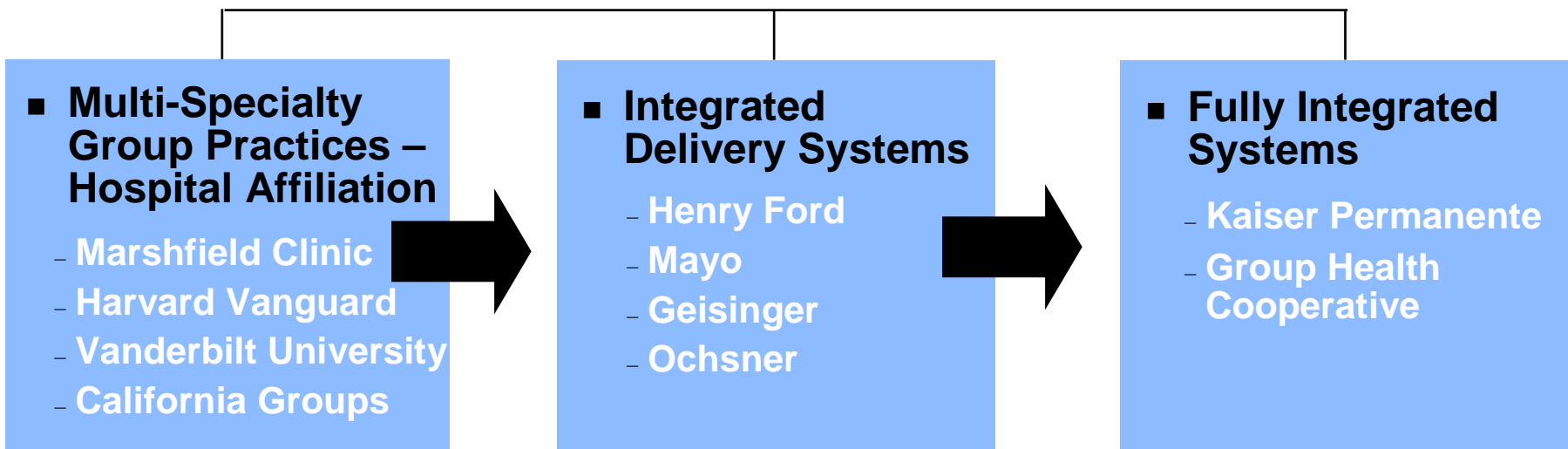
Integrated Systems in the U.S.



LESS INTEGRATED SYSTEMS



MORE INTEGRATED SYSTEMS



Value of Integrated Delivery System



- **Unified medical record**
- **Coordination of care across conditions and over time**
- **Capabilities to measure and improve care**
- **Accountability for the cost and quality of the full spectrum of care**

Value of Fully Integrated System



- **Linkage between benefit design and delivery of care (e.g., pharmaceutical benefit)**
- **Ability to invest over the long-term**

- **Five areas to consider in planning for a successful integrated system**



- **Physician culture**
- **Physician leadership**
- **Compensation and productivity**
- **Patient choice**
- **Use of clinical IT**

Physicians are the key to successful integrated systems.

- **Group model vs. Staff model**
 - **Physician responsibility**
 - **Sense of ownership**
 - **Career vs. job**



Physician culture

Physician leadership
Compensation/productivity
Patient choice
Use of clinical IT

- **Physician leaders are needed**
- **Physicians can be competent managers**
- **Development programs are necessary**



Physician culture
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- **Salary vs. unit-based payment**
- **Benefits – including retirement plans**
- **Productivity Management**



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- **What does “choice of physician” really mean to people?**
 - My special doctor
 - The Mayo Clinic

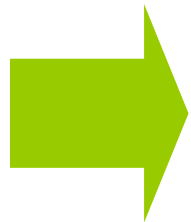
- **How to manage the “choice” issue in a closed-panel integrated system design**
 - Benefit design
 - System size and geographic access
 - Brand and image – Managing both the substance and perception of quality and service

Physician culture
Physician leadership
Compensation/productivity
Patient choice
Use of clinical IT

■ Why should physicians invest in electronic medical records?

- Obvious*
- Coordinate care more effectively
 - Improve quality of care, safety and outcomes
 - Reduce duplication of services

- Less Obvious*
- IT creates a platform to redesign office practice for the 21st century

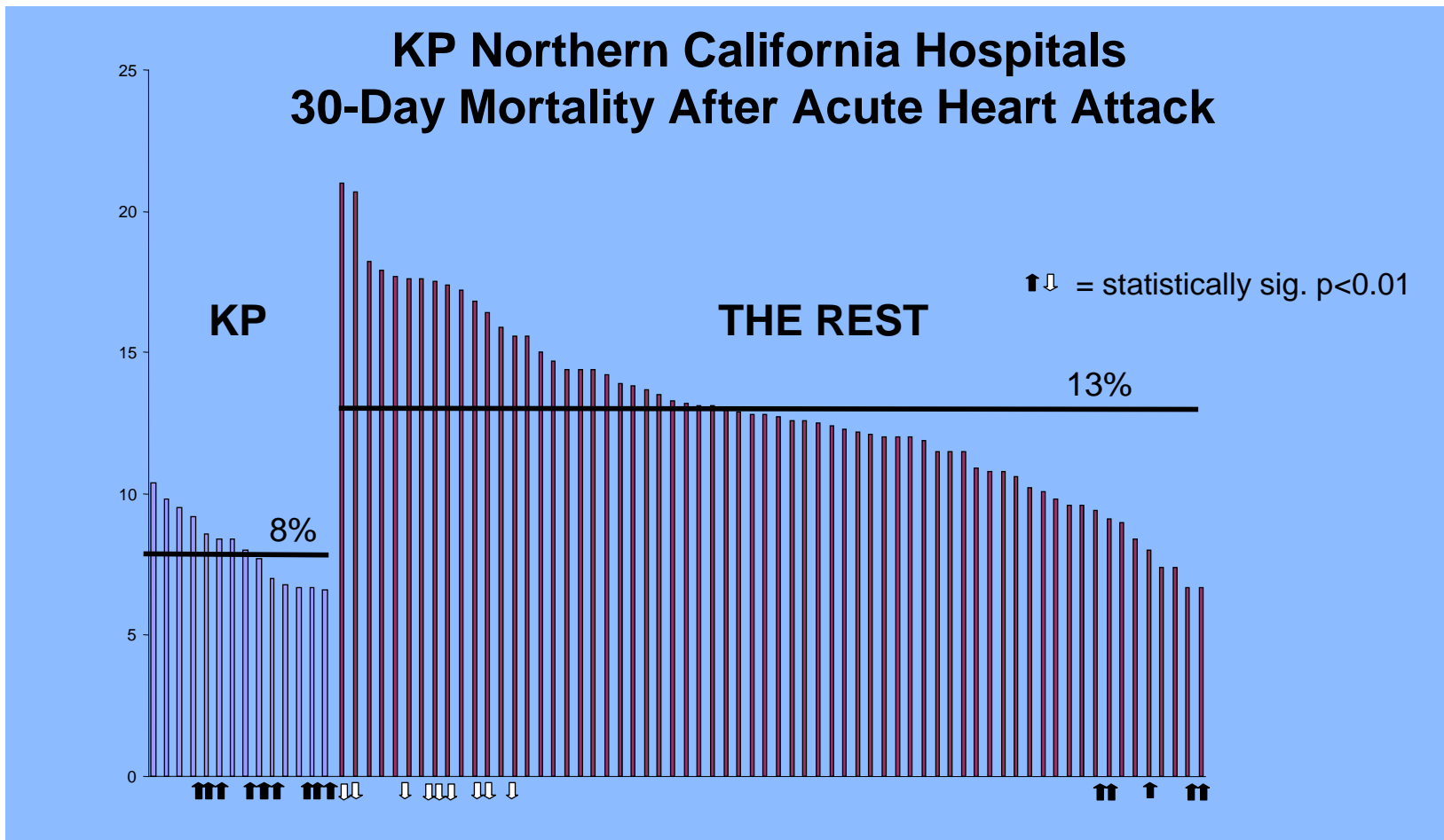


- Web-based interactions – “virtual visits”
- Increased bond between patient and system
- Options for patients with higher out-of-pocket costs

- **Kaiser Permanente's experience so far in implementing clinical information systems**
 - Investment
 - Physician reaction
 - Patient reaction

Physician culture
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- **Is it worth it?**
 - **Quality**



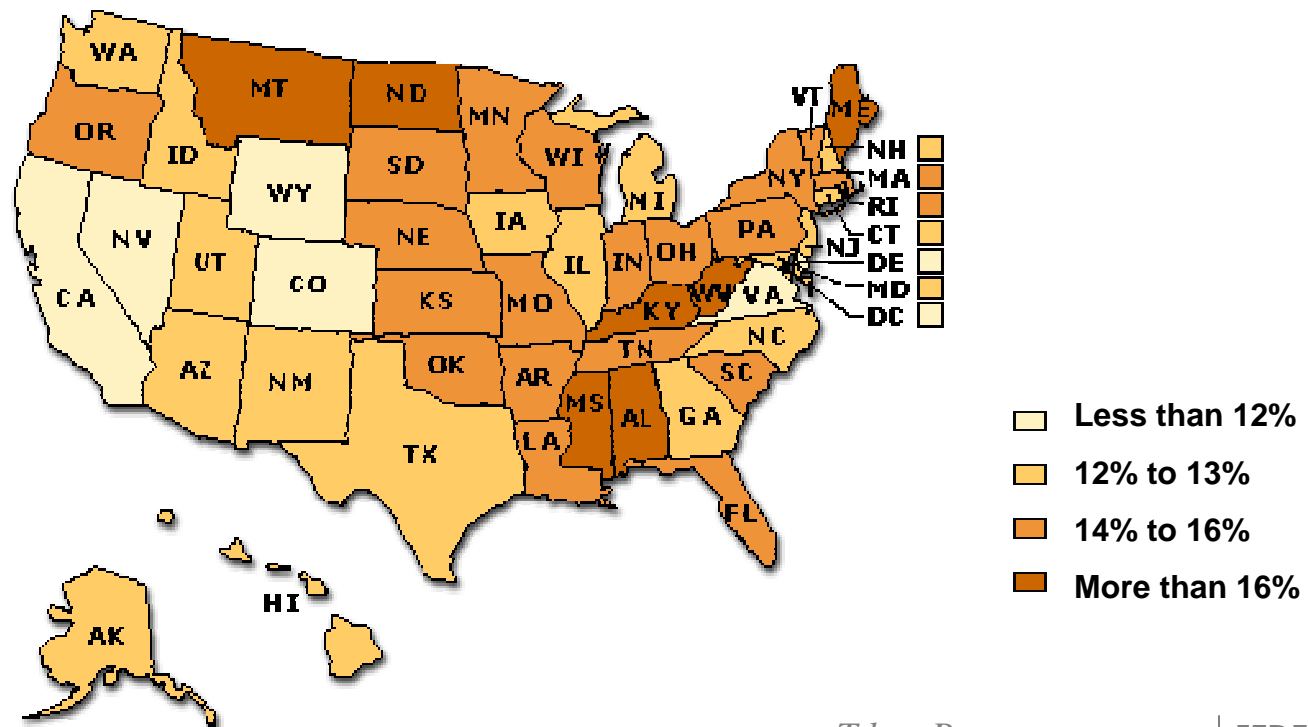
Source: 2002 study by the California Office of Statewide Health Planning and Development (OSHPD) which found that Kaiser Permanente members have a significantly greater chance of survival from heart attacks than non-members. The study, released in February 2002, showed that the survival of heart attack patients at all Kaiser Permanente hospitals was better than the statewide average. Overall mortality was 8 percent versus the statewide average of 12 percent.

- **Is it worth it?**
 - Quality
 - **Cost/Affordability**

Is it Worth it? Cost

Cost of care in areas where KP exists is less than in other areas. Health care is 11% of the economy in California compared to an average of 13% in the rest of the country.

**Total Health Care Expenditures
As a Percent of Gross State Product, 2004**

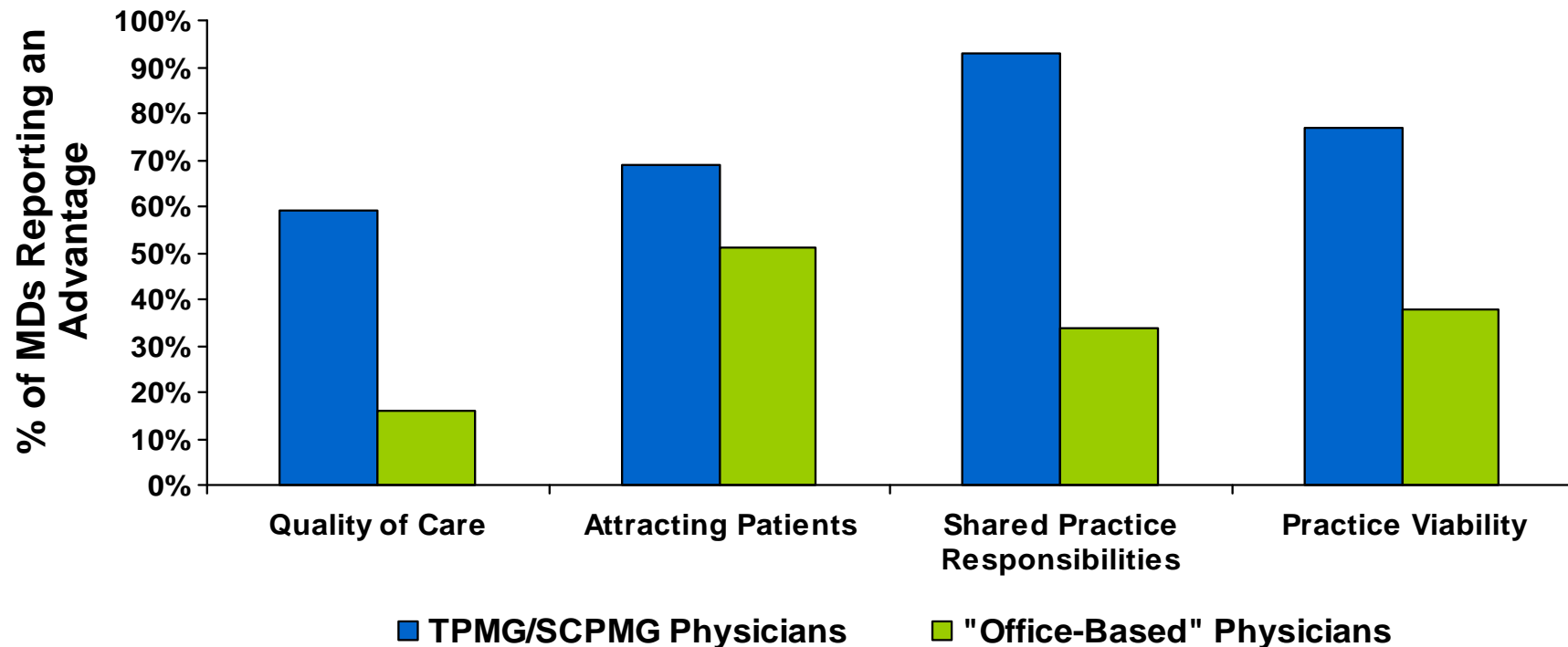


- **Is it worth it?**
 - Quality
 - Cost/Affordability
 - **Professional Satisfaction**

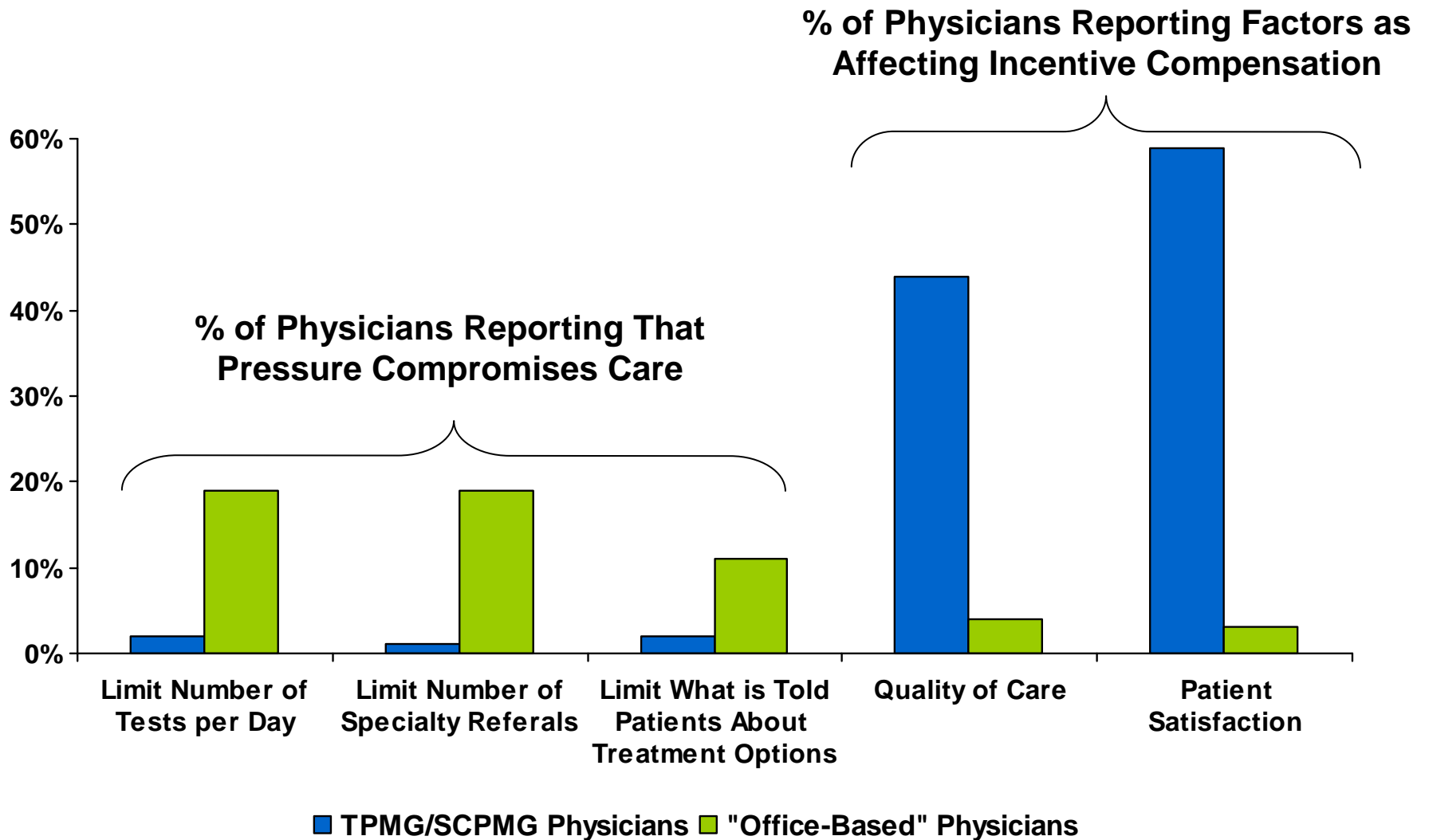
Is it Worth it? Professional Satisfaction



Independent studies conducted by researchers at the University of California found KP physicians to be more satisfied with their work environment and to feel better supported in providing quality care and service.



Professional Satisfaction





Ontario Medical Office Building



Sacramento Medical Center



Baldwin Park



Sand Canyon Medical Center



Downey Medical Center