

Employee Health and Productivity

A Key Part of the Employer Value Proposition

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Medical Director for Health and Productivity

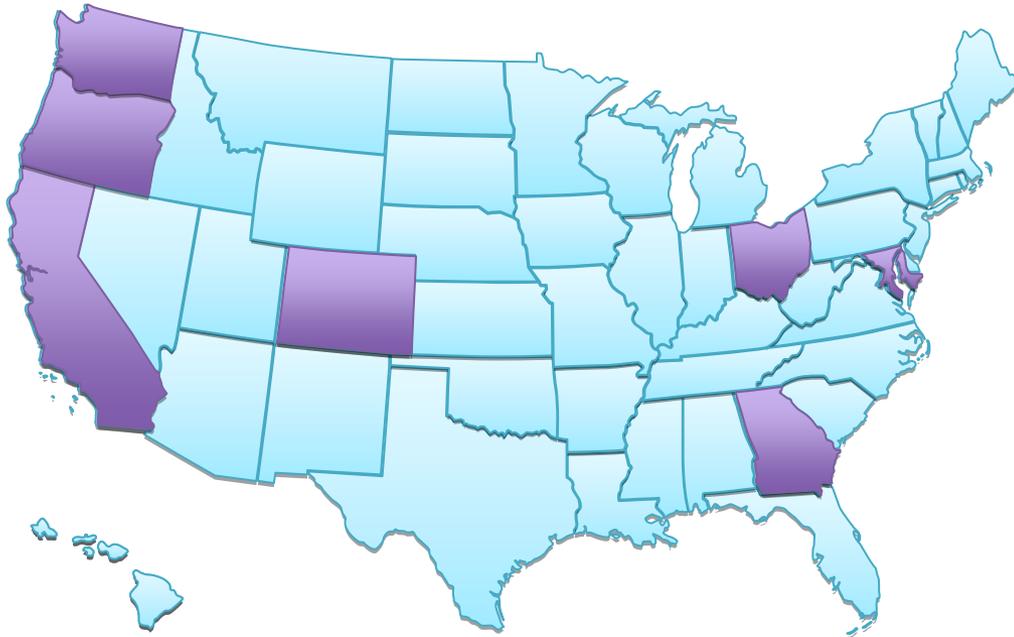
Management Programs

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Who Are We?



8.6 million members

13,729 physicians

157,000 employees

32 hospitals

416 medical offices

120,000 corporate customers

Transitions...

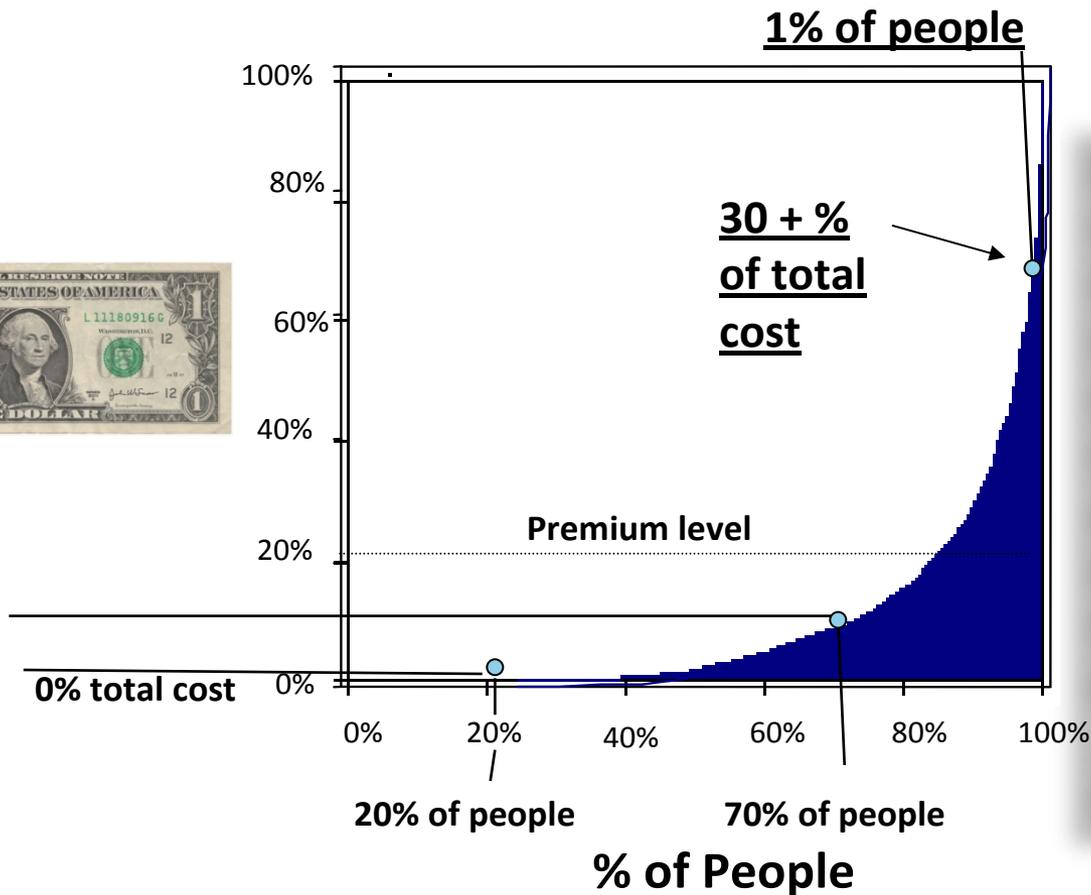
- From Medical Practices to Medical Homes
- From Disease Management to Population Care
- From Rx to Ix (Information Therapy...)

**From Delivering Health Care to...
Achieving and Sustaining Health**



The business of health care in 2010...

Chronic health conditions increasingly underlie the bulk of health care costs



- Diabetes
- Heart Failure
- Coronary Artery Disease
- Depression
- Chronic Pain
- Cancer
- Asthma and COPD
- Dementia
- Falls
- Obesity
- ...
- COMORBIDITIES



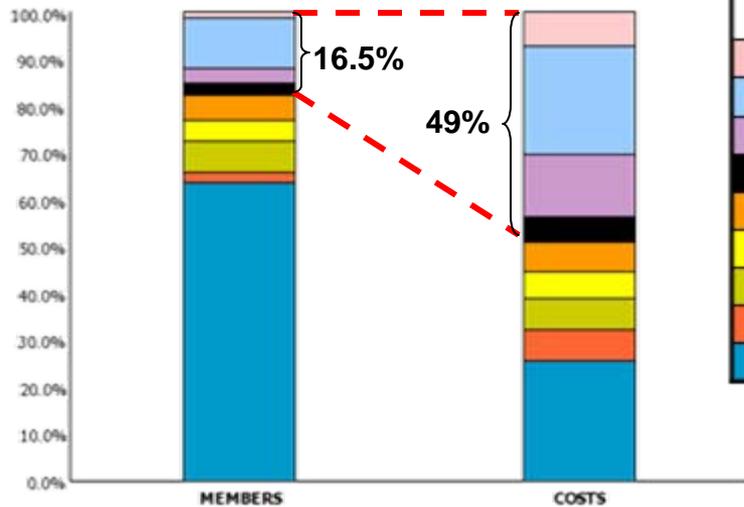
Refining the Opportunity...Costs

chronic conditions are major drivers of costs

Commercial

Measurement Period Ending June 30, 2009

PERCENT OF MEMBERS* Compared to Percent of Cost by Condition†
 Sample Customer at Kaiser Permanente-Measurement Period Ending June 30, 2009



	MEMBERS	COSTS
2 or more major chronic conditions	1.0%	7.2%
1 major chronic condition	10.9%	23.0%
Additional Chronic Conditions (any of 4)	3.1%	13.4%
Cancer	2.5%	5.4%
Back pain	5.4%	6.3%
Arthritis	4.5%	5.6%
Injuries (other than back pain)	6.7%	6.7%
Maternity without other conditions	2.1%	6.6%
All Other	63.7%	25.7%

Major chronic conditions = diabetes, asthma, coronary artery disease, chronic heart failure, and depression

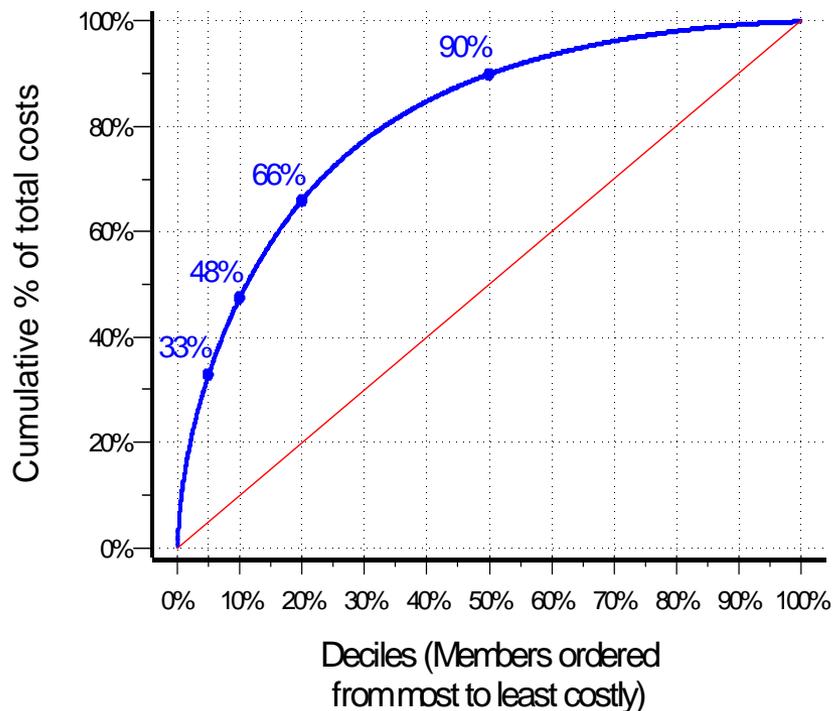
* Costs only for enrolled members during measurement period.
 † Calculations for this graph use DXCG methodology.

Action Points

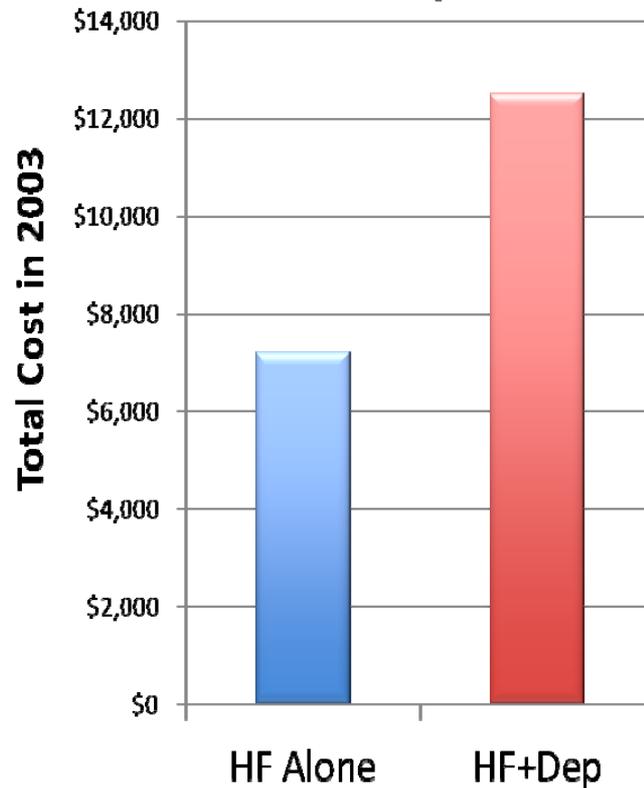


Heart Failure

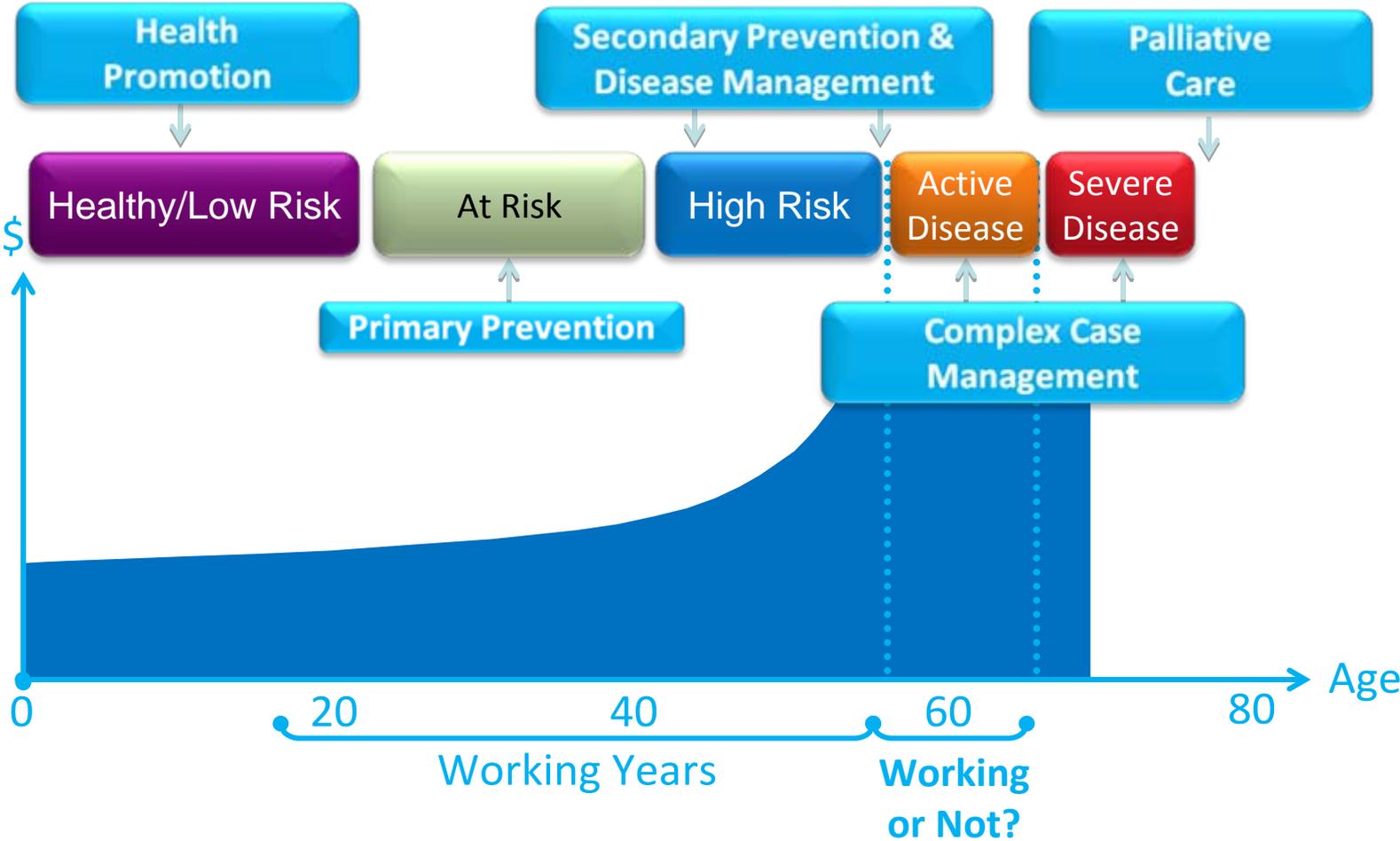
% of total costs incurred by the most costly 5%, 10%, 20%, and 50% of members with Heart Failure



Total Annual Costs: **Action Points**
Heart Failure alone and with Depression



Meeting the Needs of the Whole Population



Perspectives



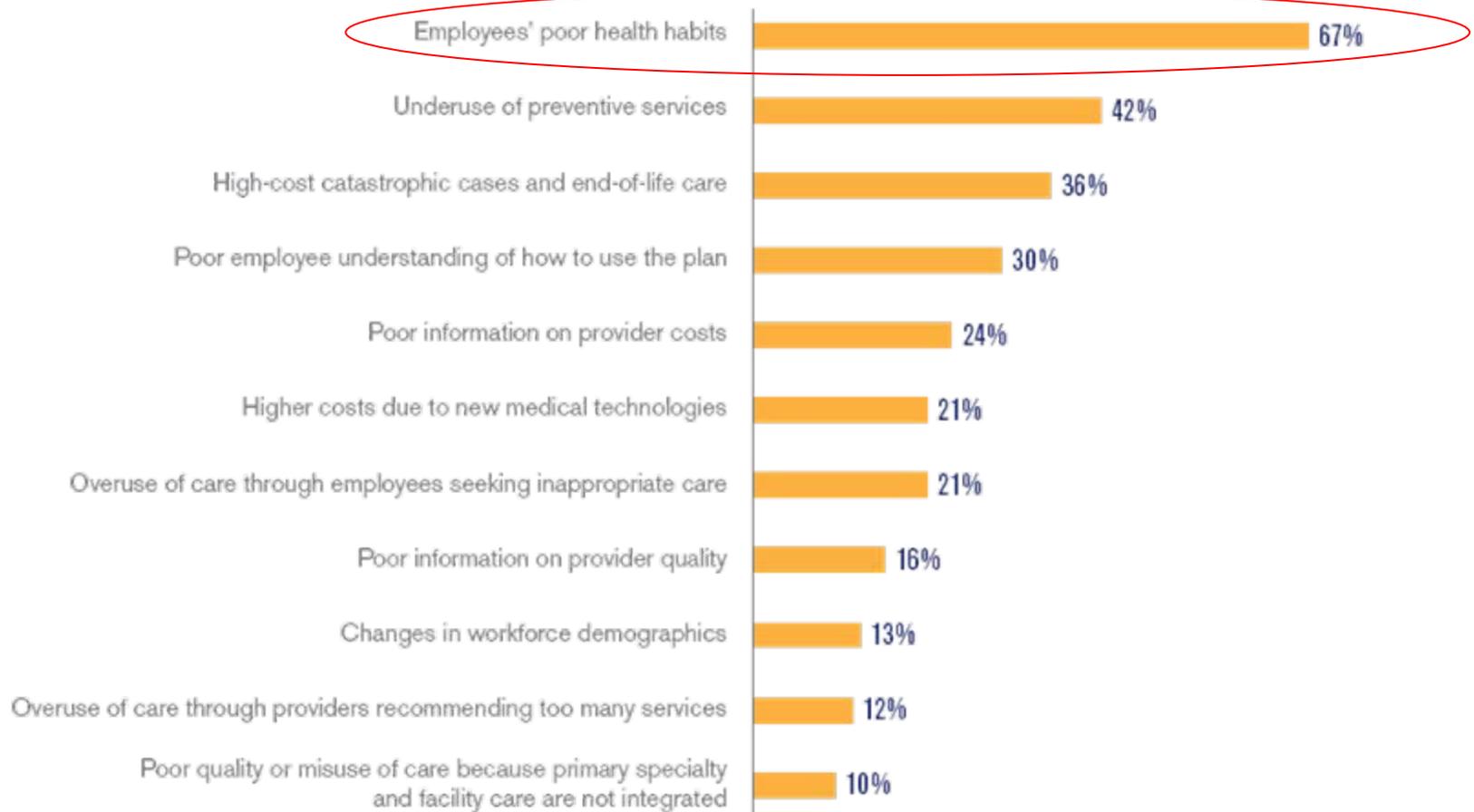
Employers are at the end of their fraying rope...



- Costs continue rising
- Employers perceive that health care providers are not doing enough to control costs
- Employers want a solution. Now.

Employees' poor habits...

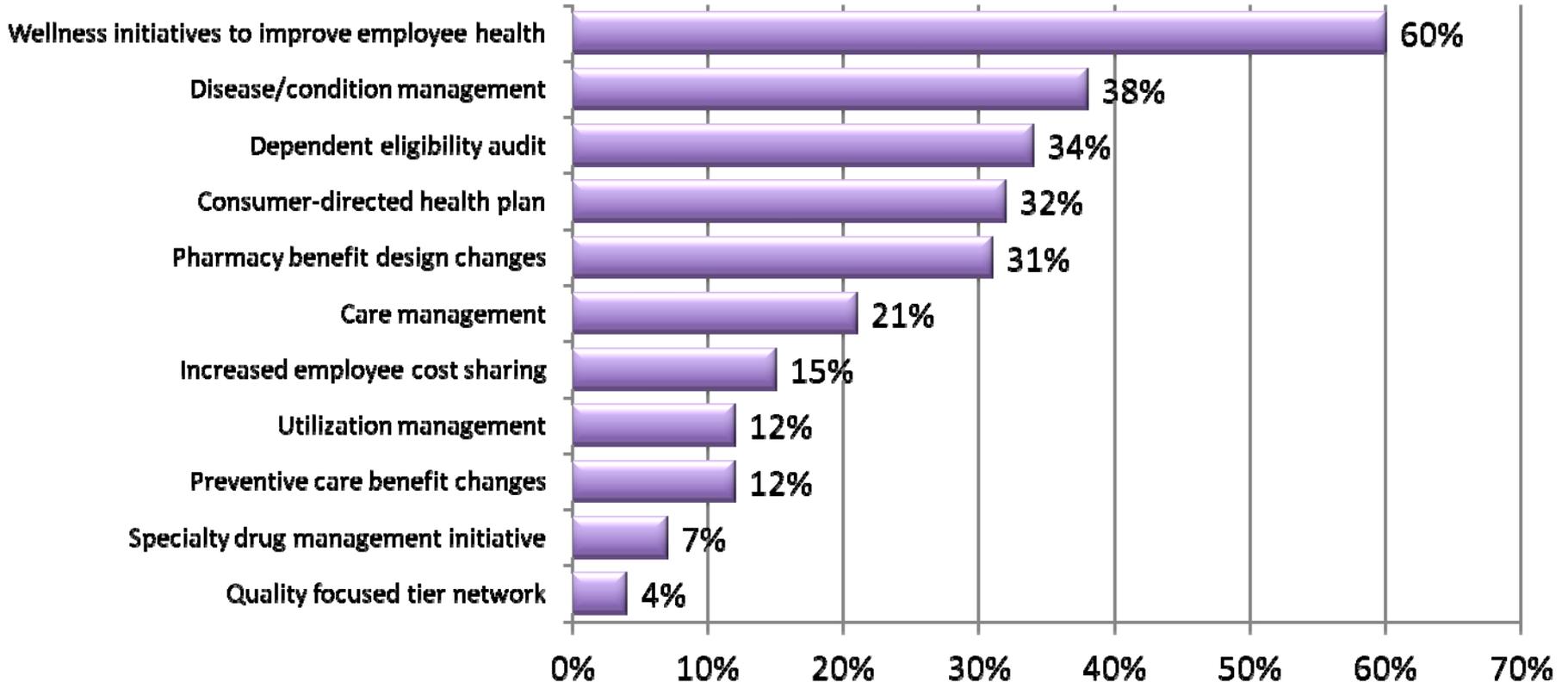
Top list of challenges employers face to maintain affordable health benefit coverage



Source: 2009 Watson Wyatt / NBGH Survey

New for 2010: Wellness is the Key to Controlling Costs

Large employers identify wellness initiatives & disease management as the most effective cost control tactics:

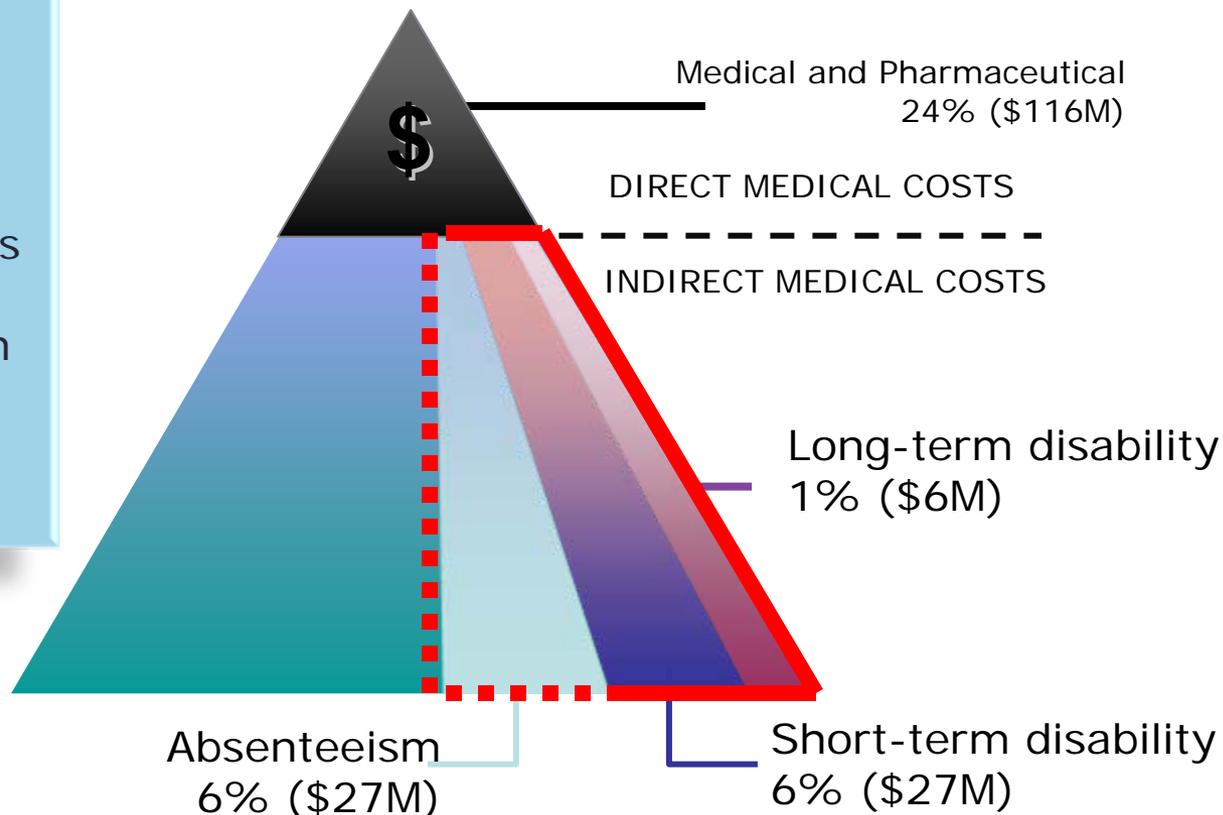


Direct and Indirect Health Care Costs... An Employer/Purchaser Perspective

Some Drivers

Coordinated Medical and Disability Management:

- Coordination of Benefits
- Elimination of Test and other Service Duplication
- Reduced Variation in granting Work Time-off



Figures based on annual data for 2000. Workers' compensation accounted for less than 1% of indirect medical costs. Source: Bank One as printed and copyrighted by Harvard Business School Publishing Corporation

Direct and Indirect Health Care Costs... Extending the "Medical Model"

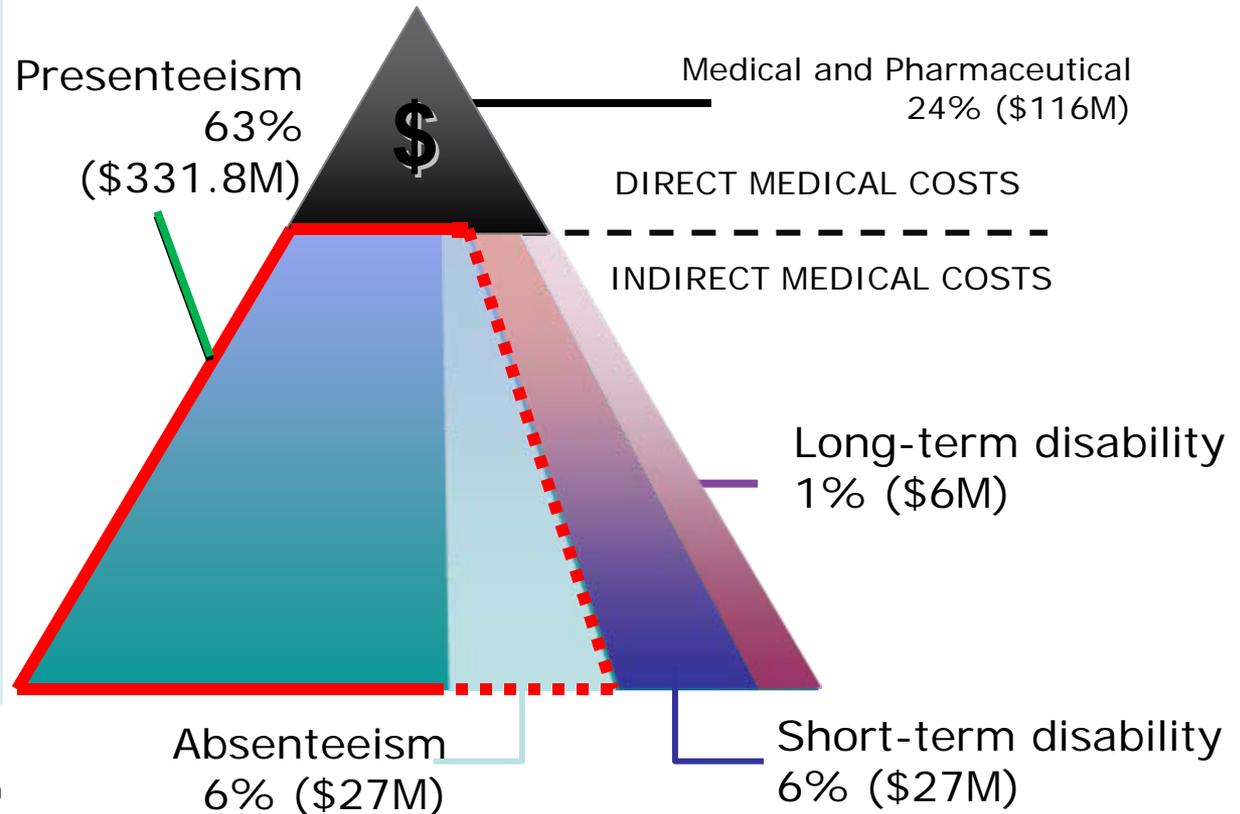
Some Drivers

Direct Medical Cost:

Chronic Conditions

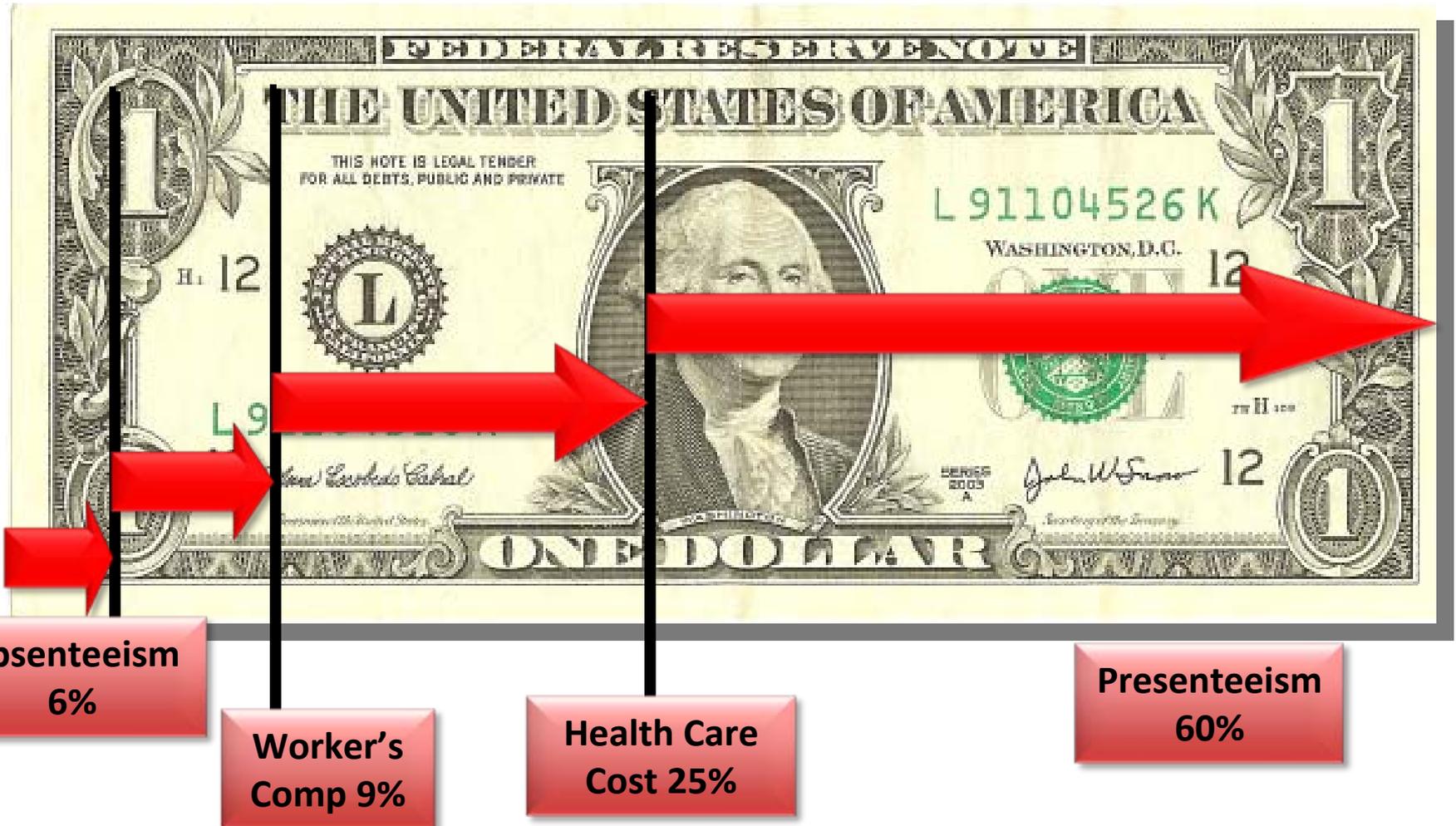
Presenteeism (on-the-job productivity loss that is illness-related):

Allergies
Lower Back Pain
Depression
Chronic Pain
Migraine
Arthritis
GERD

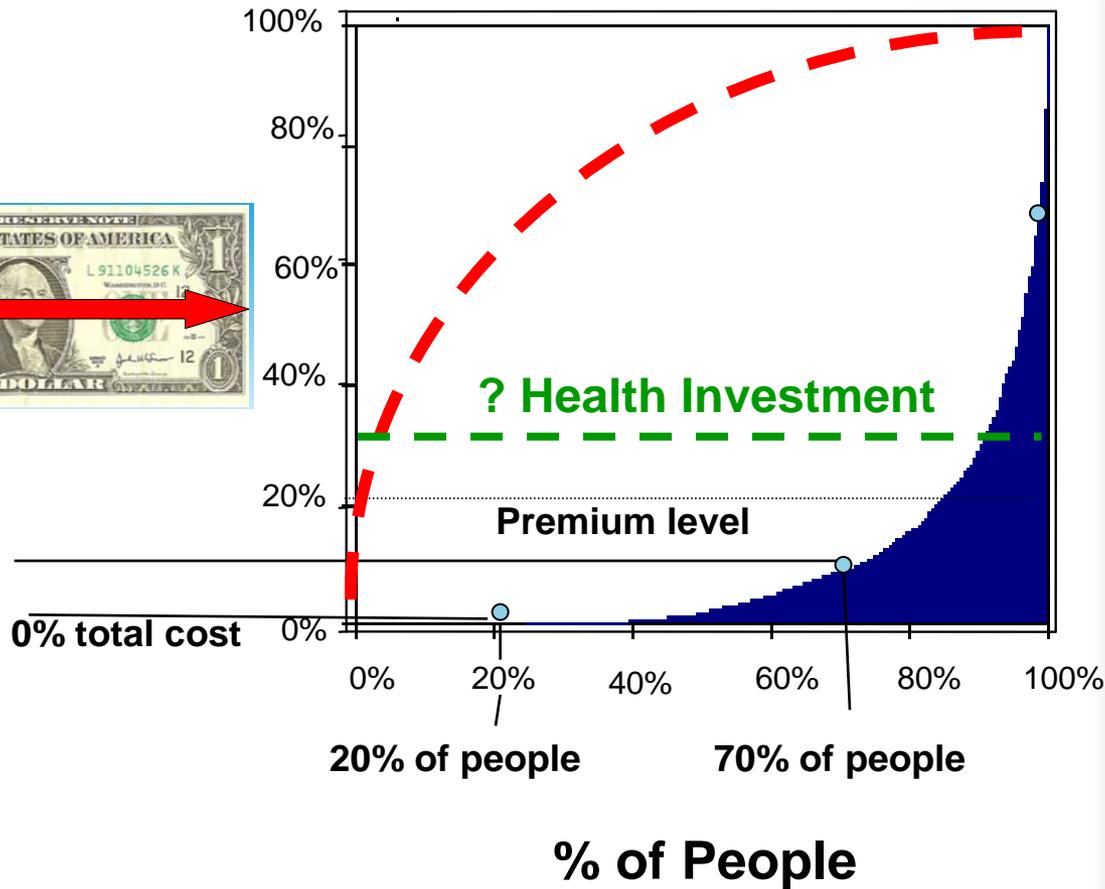


Figures based on annual data for 2000. Workers' compensation accounted for less than 1% of indirect medical costs. Source: Bank One as printed and copyrighted by Harvard Business School Publishing Corporation

Impact of Presenteeism on Employer Costs



The business of health (care) in 2010... Revised



Medical + Productivity

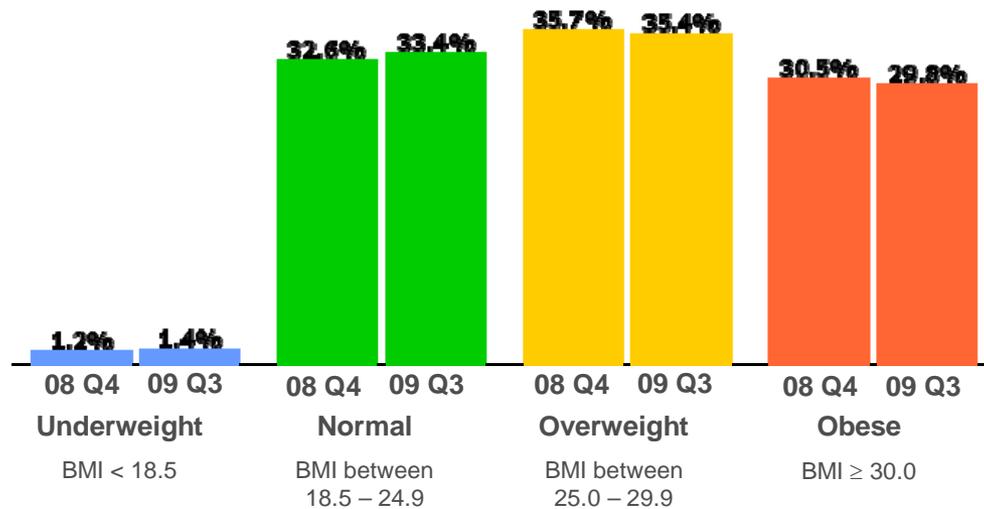
- Fatigue
- Depression
- Back/neck pain
- Sleeping problem
- Other chronic pain
- Arthritis
- Hypertension
- Obesity
- High cholesterol
- Anxiety

Disability Management

Absence Management

Refining the Opportunity...By Condition

Results for your employees and their families:
adult weight management



68.0% of your member population with a measurement in the last 12 months.

Action Points



Productivity Impact of Smoking

Avg annual cost for lost productivity

\$5000

\$4000

\$3000

\$2000

\$1000

0

Annual savings of \$1184 for every smoker who quits

Non Smoker

Current Smoker

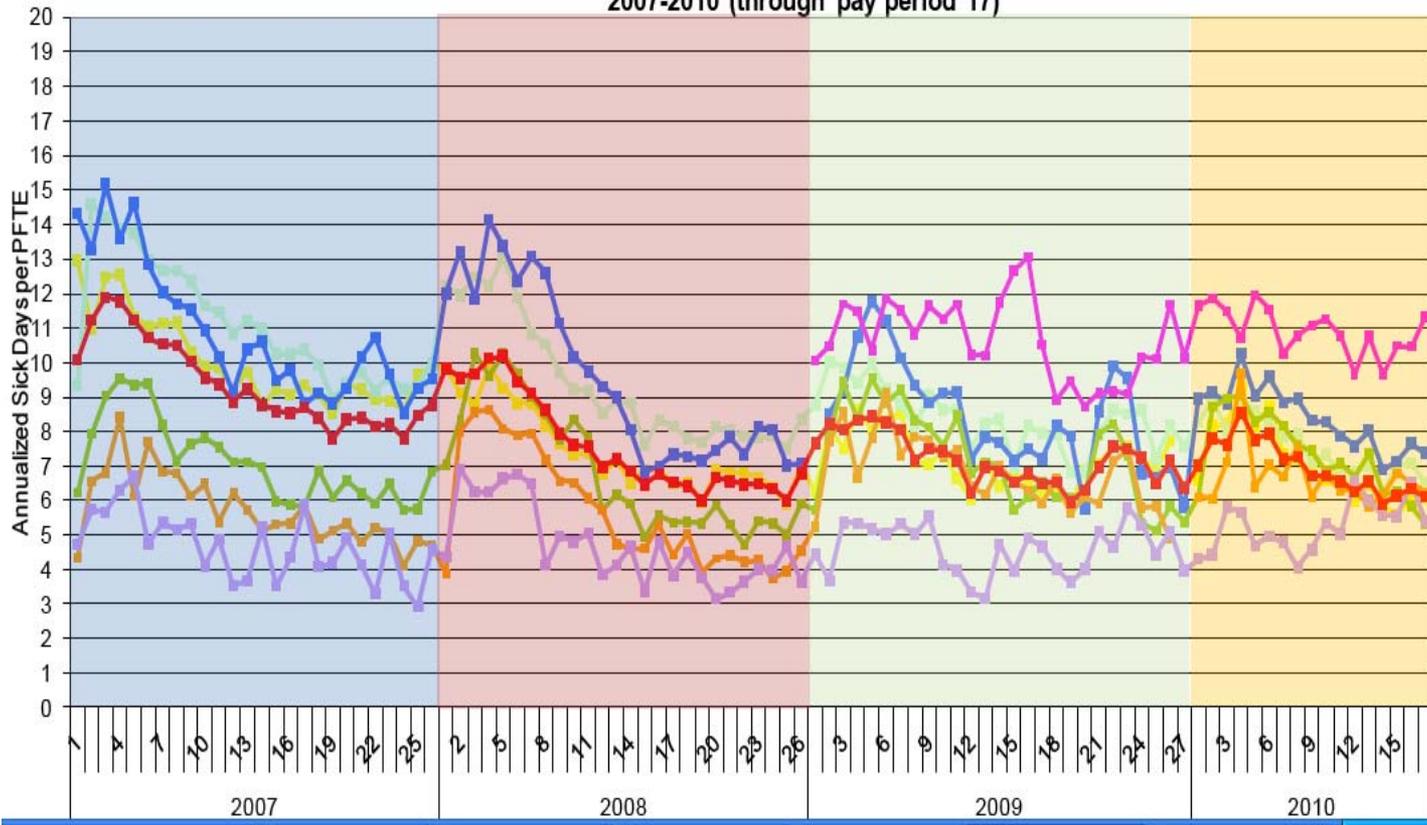
Former Smoker



Absence Management

Sick Leave Utilization - All Employees

Utilization of Sick Leave by All Employees
2007-2010 (through pay period 17)



Action Points

Cost Focus

Condition Focus

Employer Focus

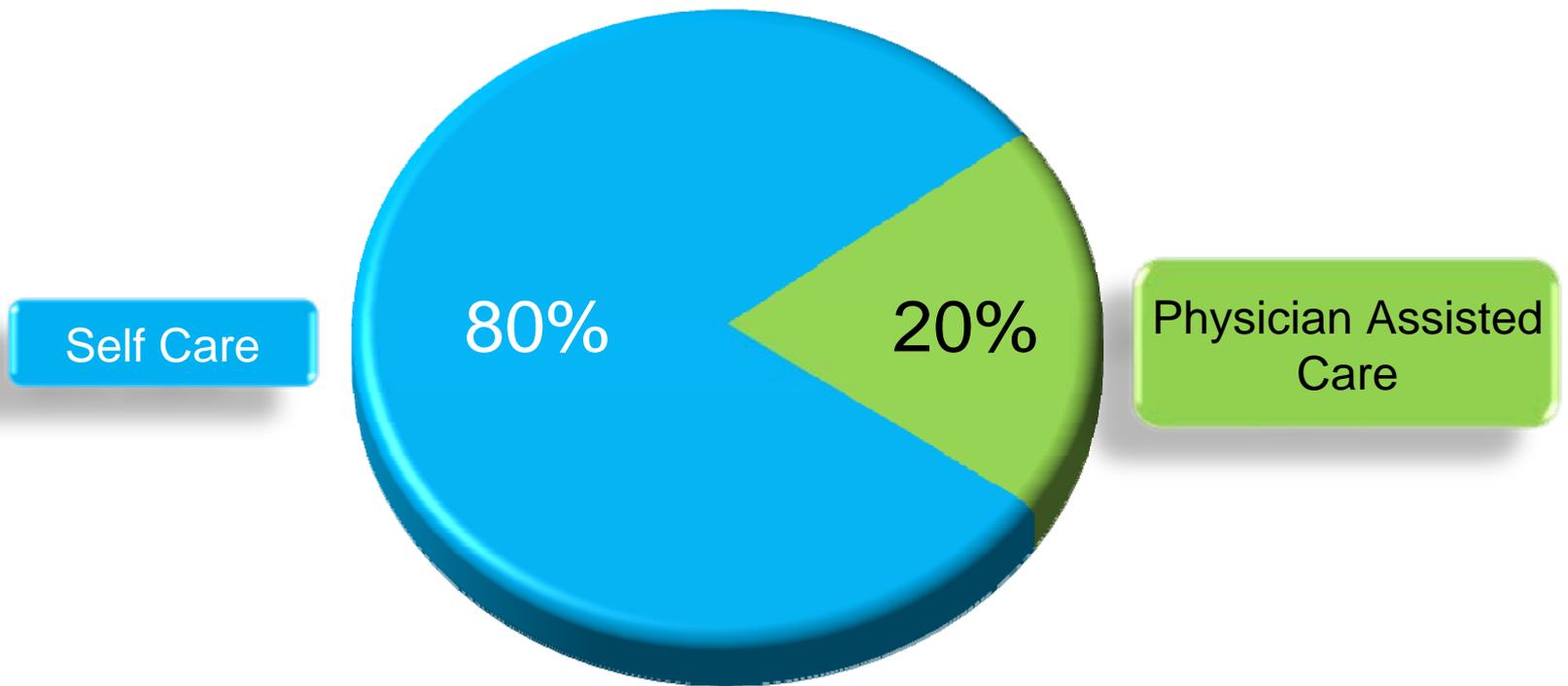
Person Focus



Perspectives



Primary Health Care



Enabling Patient-Centered Care

- **Secure view of EHR:**
 - View my lab test results, immunizations, allergies, past office visits, health care reminders
- **Interact with care team:**
 - E-mail my doctor, complete a total health assessment
- **Convenient transactions:**
 - Refill prescriptions, manage appointments, act for a family member
- **Educational opportunities:**
 - Links to health & drug encyclopedias, online behavior change programs



KAISER PERMANENTE Home kp.org Guía en español Search our site

My health manager Health & wellness Health plans & services Locate our services

Members sign on

My health manager

Ready for a new you? Take a [total health assessment](#), get a custom action plan.

- ◆ [E-mail your doctor](#)
- ◆ [My test results](#)
- ◆ [Schedule appointments](#)
- ◆ [Refill prescriptions](#)
- ◆ [View past visits](#)
- ◆ [More...](#)

Enrich your care
Be choosy: [Select a personal physician.](#)
[View plan information, print forms, and more.](#)

Symptom checker More...

At home, online, or on the road. We've got you covered.

My health manager

Ready for a new you? Take a [total health assessment](#), get a custom action plan.

- ◆ [E-mail your doctor](#)
- ◆ [My test results](#)
- ◆ [Schedule appointments](#)
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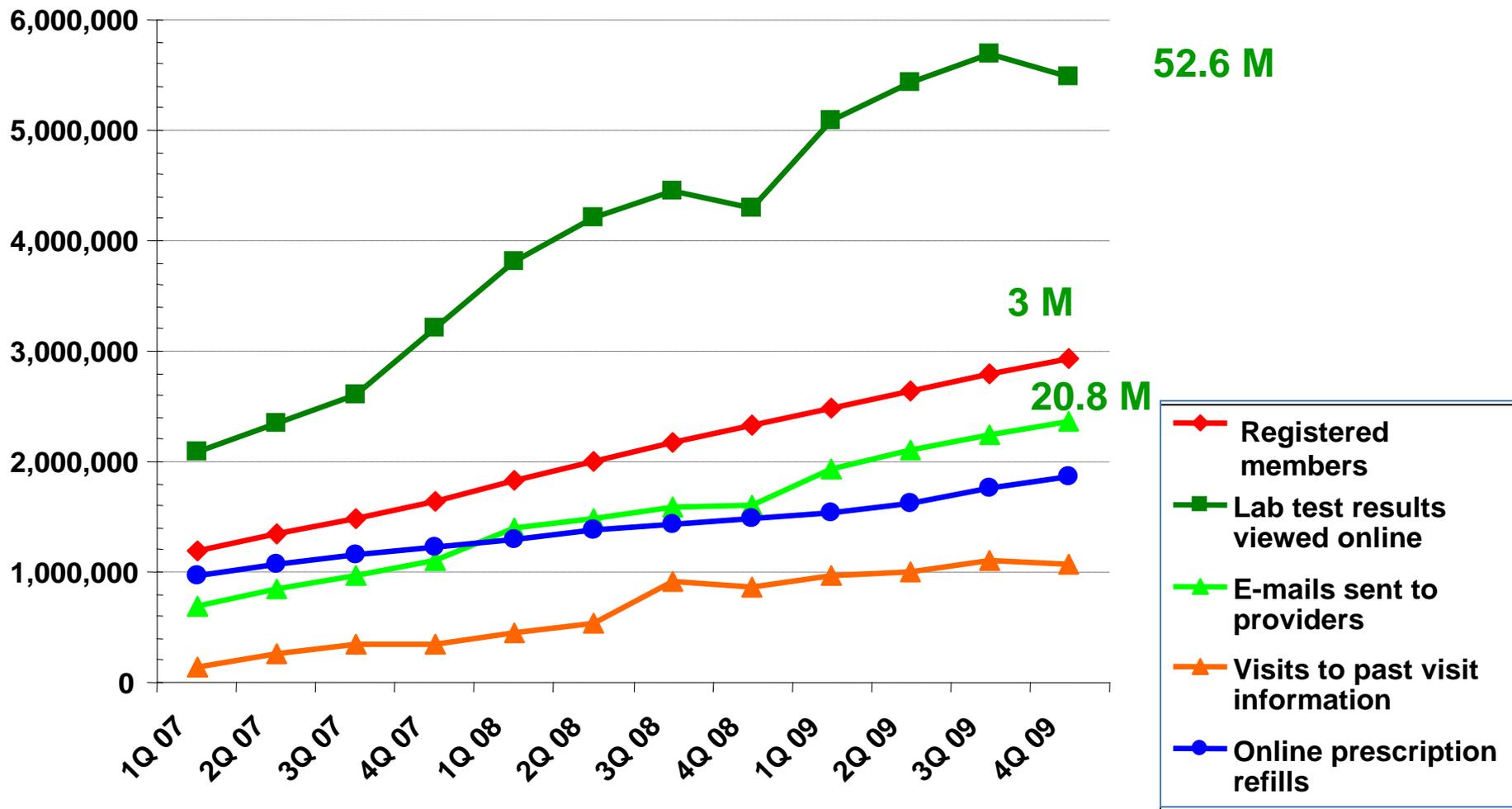
KP News Center

Going green: Kaiser Permanente earns national awards for [environmental efforts](#).

See what Kaiser Permanente is doing to build [healthier communities](#).

Find out [what's up in your area](#).

Connecting with Members



Member activity & engagement

2009 Online Activity:

- Over **3 million** registered users
- **61.7 million** site visits
- **21.7 million** *My Test Results* viewed
- **8.6 million** *E-mail My Doctor* messages sent
- **6.9 million** prescription refills ordered online
- **185,000** submissions to online behavior health programs
- **1.8 million** online appointment requests

Engagement:

- 47% signed on 11 or more times
- 91% of members satisfied or very satisfied with kp.org



The screenshot displays the Kaiser Permanente website interface. At the top, there is a navigation bar with the logo and links for Home (kp.org), a Spanish language option (Guía en español), and a search bar. Below this is a secondary navigation bar with categories: My health manager, Health & wellness, Health plans & services, and Locate our services. The main content area features a 'Members sign on' section with fields for User ID and Password, and a 'Sign on' button. To the right of the sign-on section is a photograph of three people (two adults and one child) walking outdoors, with the word 'thrive' overlaid. Below the sign-on section are several content tiles: 'Health and wellness' with a carrot icon, 'Health plans and services' with a green leaf icon, 'My health manager' with a cherry icon, 'News Center' with a green apple icon, and 'Community' with a strawberry icon. Each tile contains brief text and links to related content. At the bottom of the page, there is a footer with various links including Terms & conditions, Privacy practices, Site policies, About us, Contact Web manager, Web awards & accreditations, Careers, Technical information, Web site map, Home kp.org, and Thrive.

The payoff



- By e-mailing their doctors, 46 percent of members **avoided taking time off work** for an office visit.¹
- Nearly 50 percent of members **usually schedule appointments online**.²
- 59 percent of members **saved a phone call** by viewing their lab test results online.³
- 78 percent of users can **manage their health** more effectively.⁴

¹ *Highlights from the kp.org User Survey*, Kaiser Permanente Internet Services Group, May 2006.

² *Online Appointments Onsite Survey*, Kaiser Permanente Internet Services Group, September 2006.

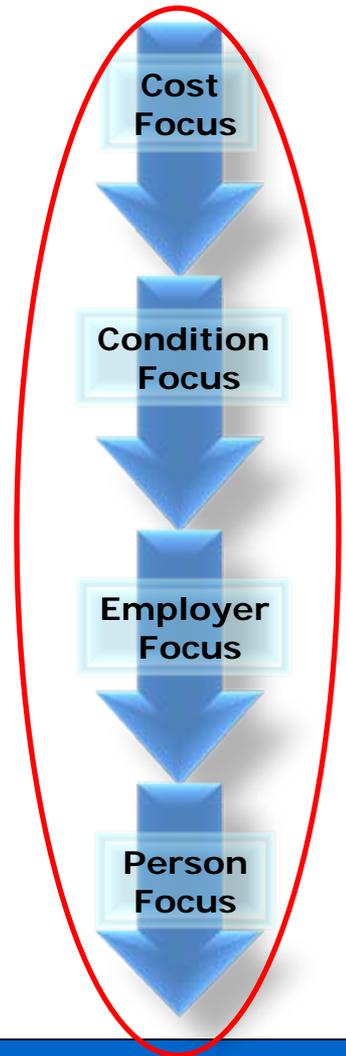
³ Internal Kaiser Permanente data, February 2009.

⁴ *User Experience Survey*, Kaiser Permanente Internet Services Group, May 2008.

Collectively confronting the opportunity... Weight management

- Care management programs
- Health forums to “know your numbers”
- Health promotion at all points of contact
- Gym / health clubs discounts
- Walking programs
- Health coaches
- Individual and group classes
- Online tools
- Weight Watchers discounts
- Others...

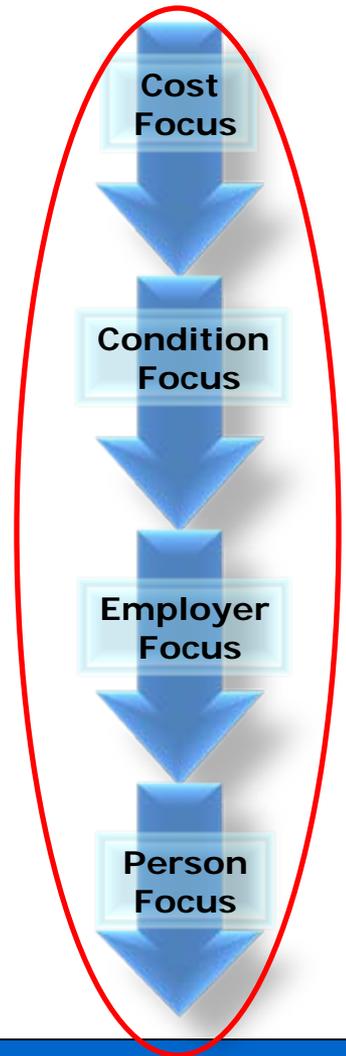
Action Points



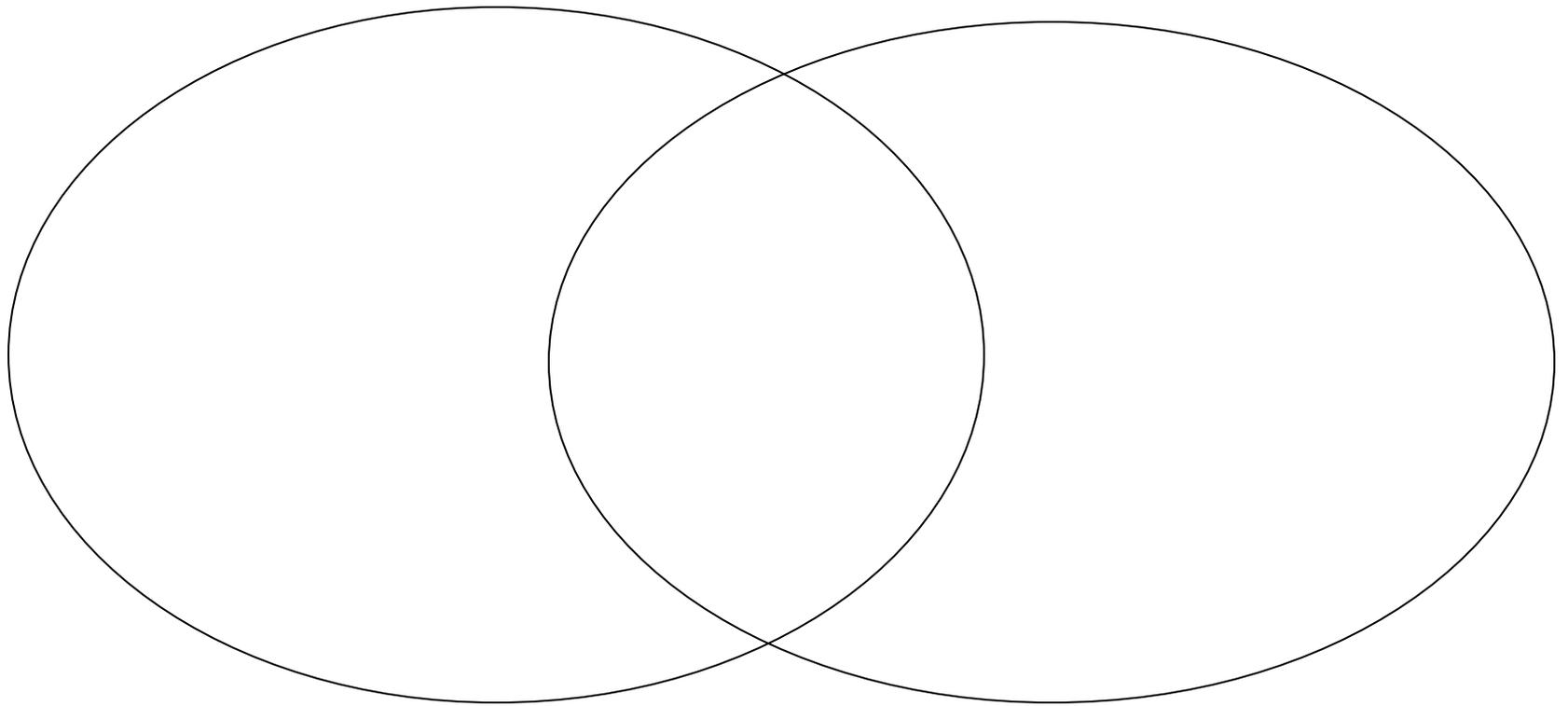
Collectively confronting the opportunity... Tobacco cessation

- Quit smoking reminders at all points of contact (registration through physician)
- Care management programs
- Quit-Smart programs
- Health promotion at all points of contact
- Health coaches
- Individual and group classes
- Online tools

Action Points



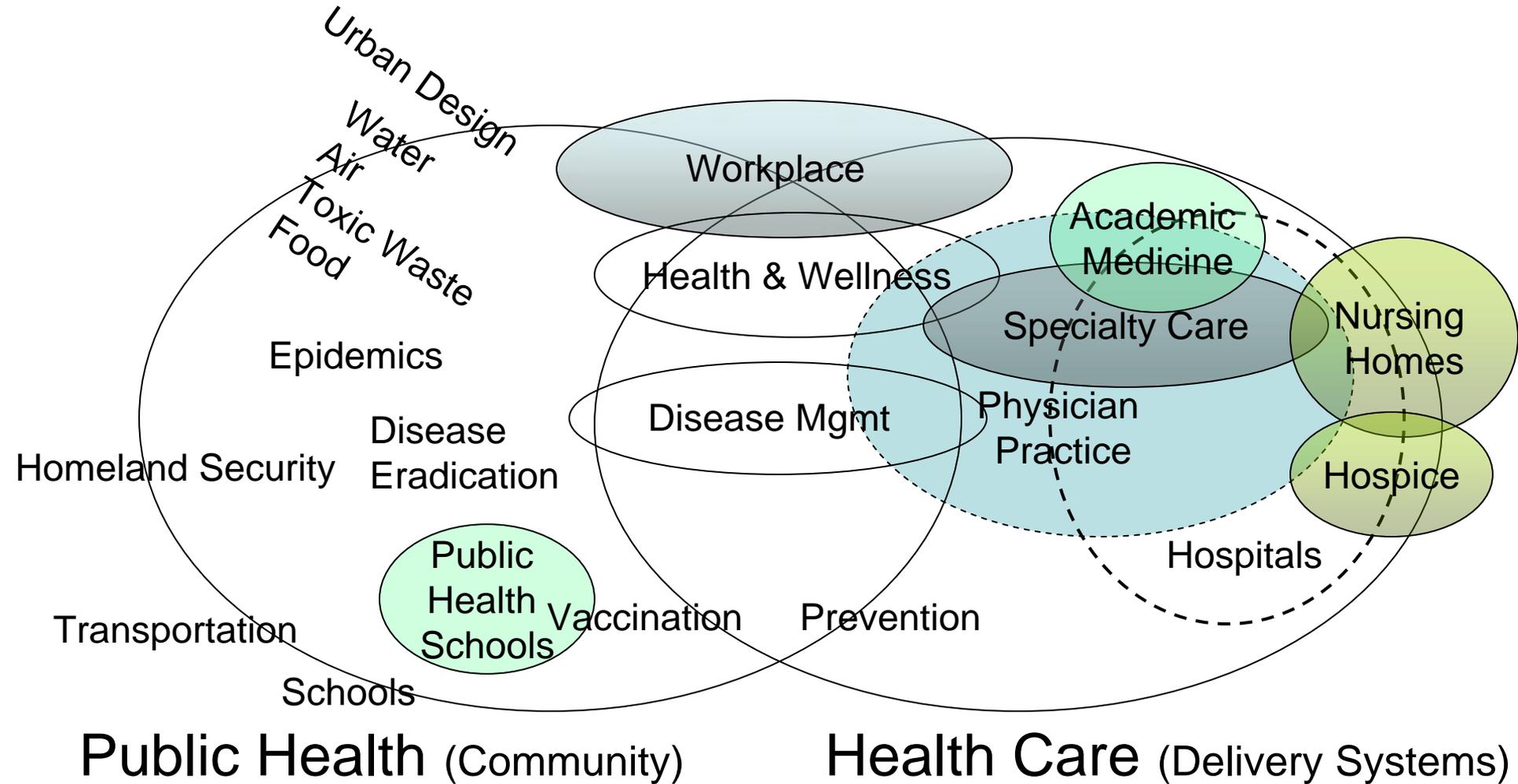
Public Health and Health Care



Public Health (Community)

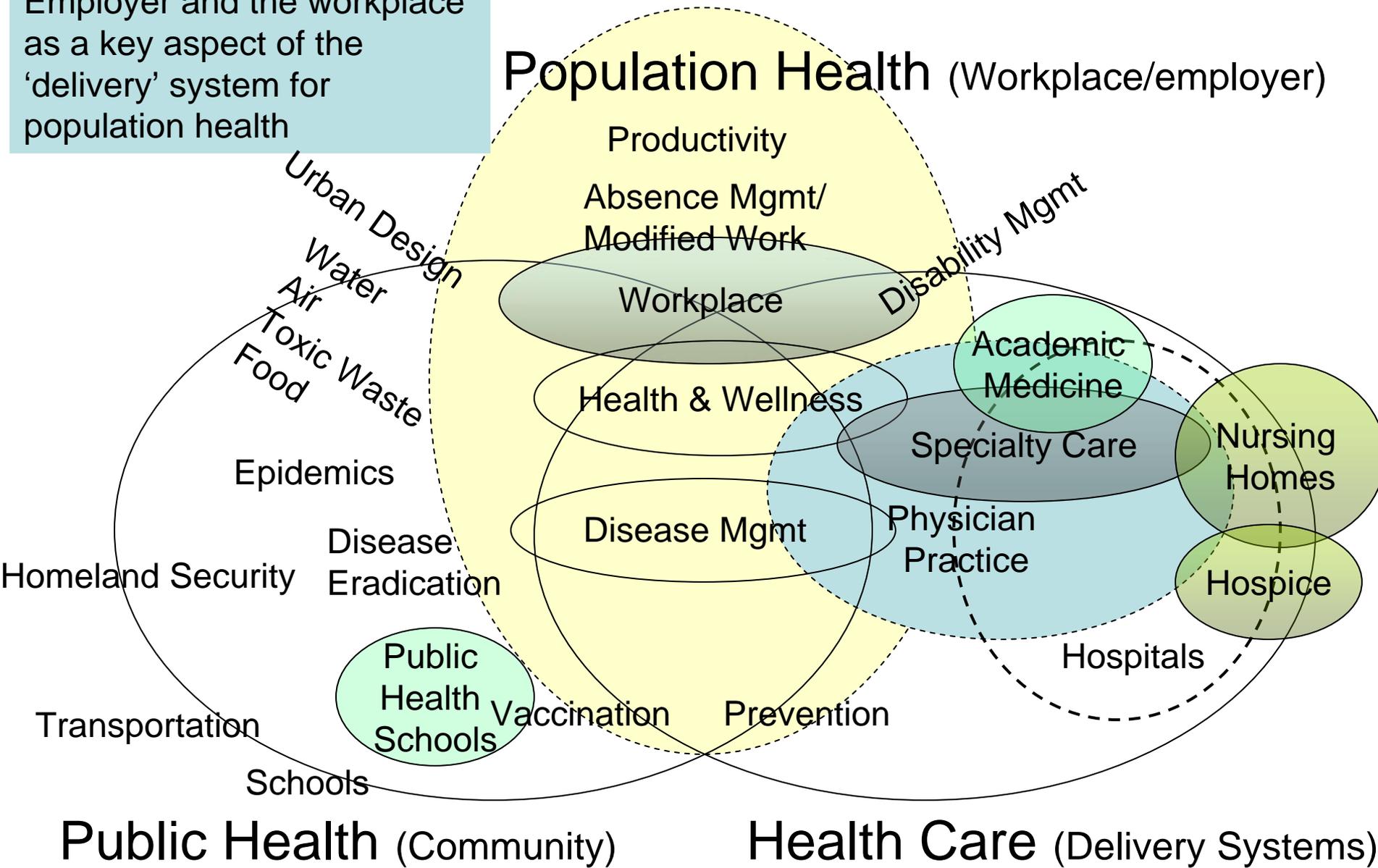
Health Care (Delivery Systems)

Public Health and Health Care



Public Health, Population Health and Health Care ~2015

Employer and the workplace as a key aspect of the 'delivery' system for population health



Public Health (Community)

Health Care (Delivery Systems)

Questions...

