

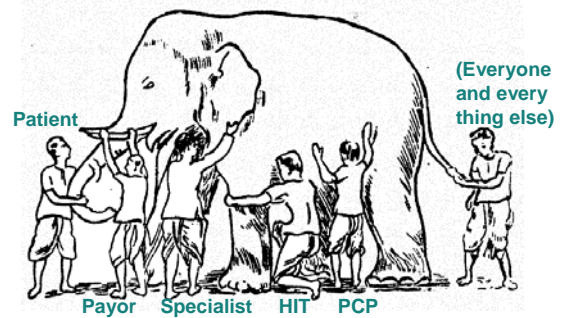


Creating a Health Care System
 National Health Policy Conference
 Washington DC
 February 2, 2009

Paul Wallace MD
 The Permanente Federation
 Kaiser Permanente
 Paul.Wallace@kp.org



A Health Care System...



Kaiser Permanente – An Integrated Delivery System

Prepayment
 (Global Capitation)
 Not for profit
 Health Plan

Mutual Exclusivity
 Between Payor
 And Providers

Capital
 Management
 “Bricks”
 “Clicks”

Labor-Mgmt
 Partnership



Near-hour longspeaker health education program in Kaiser Shipyard, Richmond.
 Staff physicians talking on the common cold
 From Industrial Medicine, 1944, April 1944

Physician
 Leadership

Multi-Specialty
 Medical Groups

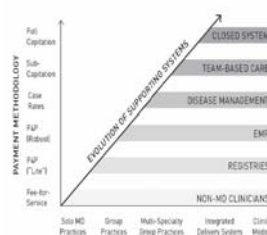
Research and
 Innovation

Population Care...
 1 Patient at a time



Payment evolution...

Evolving Reimbursement and Care Models



Move from exclusively
 managing revenue
 towards managing a
 budget

Progress to anything
 but pure Fee For
 Service...

Source: T Lee and R. Berenson, The Health Care
 Delivery System: A Blueprint for Reform, 2008,
 The Center for American Progress and
 The Institute on Medicine as a Profession



Accountability: Medical homes and Neighborhoods



Customizing the
 Medical Home for
 Population Care:

- HIT
- Decision support
- Predictive modeling
- Practice models

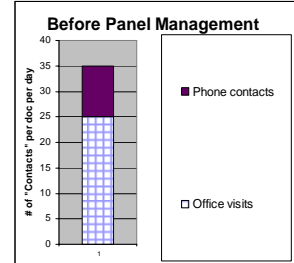


The Medical Neighborhood

- Scale economies
- Shared services
- Integrated Primary and
 Specialty Care



Infrastructure: Primary Care Physicians and How They “Manage” Their Patient Panel



Comparative *Population* Effectiveness: The Kaiser Permanente National Joint Replacement Registry

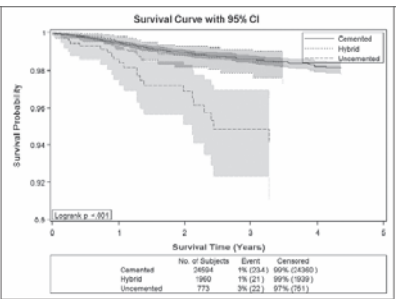


Figure 5. Kaplan-Meier survival curves with 95% confidence intervals for cemented, hybrid and uncemented total knee arthroplasty.

[Evaluation] feedback changed practice with respect to: implant selection, minimally invasive procedures, uncemented knees, and surgical indications and preoperative care.

Paxton, EW et al; *The Permanente Journal* 15:12-16, 2008

KAISER PERMANENTE. 13

Moving towards an Integrated Delivery System: Key investments of \$\$\$ and effort

Shift to a focus on managing budgets, not revenue:

- > Evolve beyond 100% FFS
- Care management fees
- Episode pricing

Shared accountability for both primary and specialty care:

- > Build Medical *Neighborhoods*
- Population management
- Referral management

Infrastructure Investment:

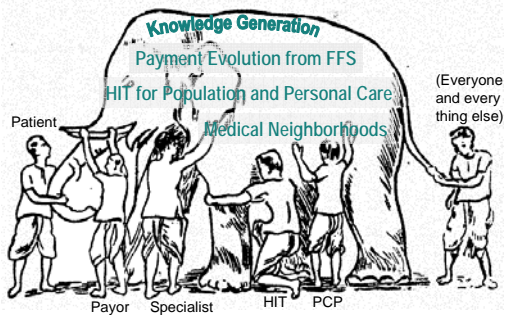
- > HIT – move beyond the EMR
- Registries/Health Information Exchange
- Personal Health Records

Knowledge Generation:

- > Rapid Learning/"Managing the Gray Areas"
- Comparative *population* effectiveness
- Care models

KAISER PERMANENTE. 14

Is there critical mass of change to collectively create a new Health Care System?



KAISER PERMANENTE. 15

The Patient at the Center of Care

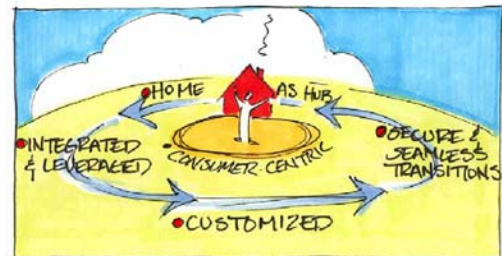


Illustration by Tom Benthin, Copyright © Kaiser Permanente

KAISER PERMANENTE. 16