six
important questions
and one
promising answer

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In 1966, Morris Collen, MD, a founding physician at Kaiser Permanente, testified before a U.S. Senate special committee about the promise electronic health records held for providing high-quality, affordable health care to our members. That same year, Newsweek magazine was quoted as saying, “The most advanced program cited at the hearing was begun ... by the ... Kaiser Foundation Health Plan.” Even then, Kaiser Permanente was leading health care innovation and health care information technology.

With health care reform on the national agenda, Kaiser Permanente continues to inform our country’s leaders, sharing our wealth of experience with the committees that oversee reform. More health care reform has been accomplished in the first four months of 2009 than anyone could have expected, including expansion of coverage to children through Children’s Health Insurance Program and dollars allocated for improving care delivery. There is optimism about finally achieving real health care reform—providing affordable access to safe care for everyone in America.

As our country’s policymakers explore solutions for health care reform, they continue to turn to Kaiser Permanente, because our results demonstrate the value of integration, aligned incentives, and coordinated care. The partnership among our medical groups, hospitals, and health plan ensures that we are all relentlessly focused on improving the health of our 8.6 million members and the communities we serve. Our coordination, with the help of our electronic health record, ensures that every part of our care delivery system is working collaboratively to provide the best care for each patient. Kaiser Permanente is a model...
for policy and other leaders who are looking for ways to change the perverse incentives in our country that sometimes reward quantity of health care services ahead of quality. It’s ironic that in the health insurance industry, there are 18,000 codes for medical procedures, but not one code for a cure.

In the following report, we share our views on access to care in greater detail. But before we do, we would like to point out a number of significant achievements from the last year that make us profoundly optimistic about the future.

Some of our most important efforts have involved sharing learnings from initiatives and projects that leverage our coordinated care teams and connectivity, resulting in accelerated performance improvements. We have seen many positive results from pilots such as our Southern California Region’s Healthy Bones Model of Care, which has to date shown a 41 percent reduction in broken bones for high-risk patients. By following up with heart patients, our Colorado Region has seen a 73 percent reduction in deaths from heart disease and coronary artery disease. Our other regions will benefit from these findings, and our coordinated care teams will continue developing innovative solutions to help our patients and communities thrive.

We are proud of the number of Kaiser Permanente members who enjoy secure access to My Health Manager on kp.org—2,716,341 as of December 2008—and the number grows every day. It’s easy to understand why. With secure e-mail messaging, patients can communicate with their doctors at any time, from anywhere. Demonstrating growing consumer interest in online health services, our patients send nearly 600,000 secure e-mail messages each month to our doctors and care teams.

In 2008, we continued to make large strides in diversity—in workforce, membership, and care delivery. We are committed to developing linguistically and culturally competent care programs for our diverse multilingual and multicultural staff, members, and communities, and we continue to be recognized for our progress in this critical area. In 2008, we received top scores in the Healthcare Equality Index, which rates the treatment of lesbian, gay, bisexual, and transgender patients and employees. We were also recognized for our Diversity and Health Video Series, a documentary series designed to raise cultural awareness and enhance the cultural knowledge of our workforce. In acknowledgment of our intentional strategies to recruit and cultivate a diverse workforce and partner with diverse suppliers, we were awarded No. 7 on DiversityInc’s Top 50 list and earned the rank of No. 1 on Diversity MBA Magazine’s annual list.

At Kaiser Permanente, we are devoted to improving the health of our communities through sharing our knowledge and assets, strengthening our safety-net partners, promoting policies and environmental changes that promote healthy eating and active living, providing care and coverage for low-income individuals, and working toward the elimination of disparities in health care. The year 2008 saw our largest investment in Community Benefit ever: more than $1.17 billion. Besides supporting community safety nets at the highest levels ever, we also continued our Charitable Health Coverage programs, which covered more than 100,000 members in 2008.

Kaiser Permanente’s Research Program stepped up its efforts again this year. In all, we initiated more than 685 new studies, bringing the total number of studies in progress throughout the Program to more than 3,150. Two of the most widely recognized studies in 2008 include a weight-loss-management trial that found keeping a food diary during a diet doubles weight loss, and a study analyzing the correlation between excess belly fat and the onset of dementia.

This year, our Sidney R. Garfield Health Care Innovation Center once again gave Kaiser Permanente caregivers the opportunity to test new ideas and develop innovative solutions. Unique in the health care industry, the center creates a collaborative space in which physicians, nurses, and patients can evaluate technology, clinical processes, and new facility designs in a safe, simulated environment. More than 14,000 people have visited the Garfield Center since it opened its doors in June 2006.

Looking back at 2008, we see it as a year of great progress, and more important, as a year that built a stronger foundation for the dramatic improvements that lie ahead for all of us.

Be well,

George C. Halvorson
Chairman and CEO, Kaiser Foundation Health Plan, Inc.
and Kaiser Foundation Hospitals

John H. Cochran, MD, FACS
Executive Director, The Permanente Federation, LLC
Since the first one-cell organisms appeared, integration has been a fundamental reality of life. Each element in each cell has an integral relationship to every other element. And each of the trillions of cells in our bodies has an integral relationship to all the others. The ideal health care system should not ignore this reality, but work in harmony with it.

If you step back and look at our organization, you’ll see that we mirror this structure, since all our systems are designed to work with each other.

At Kaiser Permanente, we are the caregiver, the hospital, the laboratory, and the pharmacy. In fact, what makes us unique is that we play every position across the health care continuum. We provide both the health care and the health care coverage. We recognize that health care is a team sport, so all the parts of our organization work together to achieve our members’ health goals. Using an evidence-based approach, supported by our advanced technology systems, our caregivers direct the most efficient, patient-centric care, and then allocate the resources to make it possible.

How real integration works.

This approach makes our goals all point in the same direction: toward finding the optimum balance of high quality, efficiency, and greater affordability. Everything we do is driven by our passion for prevention. Not only does this increase the health and well-being of our members, customers, and communities—it helps us save millions of dollars by managing disease more effectively.

In 2008, Kaiser Permanente was ranked “Highest Member Satisfaction among
Commercial Health Plans in California by the J.D. Power and Associates 2008 National Health Insurance Plan Study, which measures member satisfaction. Also, the U.S. News & World Report assessment of health plans ranked Kaiser Permanente of Northern California the top commercial plan in the state, and among the top 50 around the nation.

The vital information our physicians and nurses work with is managed by Kaiser Permanente HealthConnect®, our electronic health record, which takes care to the next level with care decision support tools. This is a departure from insurance company information technology systems, which are claims driven, not designed for health care delivery.

KP HealthConnect is the secret sauce that lets us achieve the level of connectivity that our 8.6 million members enjoy today. Designed to enable our caregivers to provide high-quality, coordinated care, it is the largest civilian electronic health record in the world. It is used by care providers across all our outpatient settings and available to all our members online. In addition, today, 25 of our 35 hospitals use this common platform. By 2010, all of our hospitals will be virtually paperless.

Keeping everyone on the same page.

At every point of contact a member has with Kaiser Permanente, from kp.org to the reception desk to the operating room, KP HealthConnect makes accurate, up-to-date information available. This lets our professionals collaborate on member care and share best practices seamlessly. Two doctors who are miles apart can look at the same X-rays on high-resolution monitors and discuss each patient as if they were in the same room.

Every month, KP HealthConnect supports nearly 600,000 e-mails between doctors and patients. Not only does this technology increase convenience for our members, but it helps us help members manage their health care proactively.

Integrating labor and management.

Of course, KP HealthConnect is a tool that is in place behind our doctors and nurses. It is our front-line workers themselves who deserve the credit for providing high-quality patient care by working in collaboration. This is the idea behind our Labor Management Partnership, which includes some 94,000 union-represented employees and tens of thousands of managers and physicians. It is the largest, most comprehensive partnership of its kind. Its key purpose is to engage everyone in continuous performance improvement at the front line. We do this through unit-based teams—natural work groups of physicians, managers, and employees who collaboratively solve problems, improve performance, and enhance the patient and member experience.

How is it working? By early 2009, more than 44,000 people were working in close to 1,300 unit-based teams to implement measurable improvements in service, quality, affordability, and workplace excellence.

As an organization with 167,338 employees and 14,641 physicians who are all in pursuit of performance excellence, we believe we are on the right track.

Working in partnership with physicians, managers, and staff, a cardiac telemetry unit in our Northwest Region reduced the noise in high-traffic areas of the unit so patients could get more undisturbed rest. In the mother and baby unit, the unit-based team implemented “nap time” so new moms could have a set time every day for undisturbed rest. Research showed this time would improve breastfeeding and reduce requests for respite care, or short breaks, by 75 percent.
In Kaiser Permanente’s formative years, founding physician Sidney R. Garfield, MD, helped shape the fundamental principles that make our model of care unique in today’s market. Decades ahead of their time, these principals included group medical practice, prevention, prepayment, and the use of technology in the hands of physicians. Dr. Garfield embraced the computer in 1960, and made early predictions about the use of the electronic health record to deliver care.

Dr. Garfield helped us grow from a 12-bed hospital in California’s Mojave Desert during the Great Depression to the nation’s largest nonprofit health care delivery system organization: Kaiser Permanente.

This year, the first biography of Dr. Garfield, The Story of Dr. Sidney R. Garfield: The Visionary Who Turned Sick Care into Health Care, was written by Kaiser Permanente Historian Tom Debley and published by The Permanente Press.

The book notes the many ways Dr. Garfield’s ideas informed and influenced the country’s health care system, in spite of ongoing criticism of his work at the time. Dr. Garfield was accused of practicing “socialized medicine” since his growing belief was that health care needed to become a democratic right for Americans.

More than 60 years later, with Dr. Garfield’s vision transformed into a definite reality, Kaiser Permanente is a model for the future of health care in America.
Most lymphoma survivors don’t plan to follow the Lewis and Clark Trail down the Columbia River in a canoe. But Robert Sherrill isn’t most lymphoma patients, and his caregivers aren’t typical, either. A little background:

In 2006, at age 55, this Beaverton, Ore., disc jockey was diagnosed with lymphoma (a type of cancer that originates in lymph nodes of the immune system), and began a course of chemotherapy, which drove his cancer into remission. But like many cancer survivors, Bob was left with a number of side effects related to remission: the excruciating pain of neuropathy in his hands and feet, along with memory problems.

His primary care physician in our Kaiser Permanente Northwest Region encouraged him to try acupuncture. He was skeptical, but after only four visits, the pain was gone. Before the onset of his cancer, he had wanted to paddle his canoe down the Columbia River, from The Dalles to Astoria, a 125-mile trip.

During his treatment he had more than 25 caregivers, and not one tried to discourage him. Quite the opposite. At Kaiser Permanente, we believe that having a positive goal to look forward to is a great motivator that can boost mental, physical, and even spiritual health. He also has the full support of his wife and his Kaiser Permanente chaplain, Susan Freisinger, who is the ultimate optimist. A quadriplegic, she became a chaplain after an automobile accident that confined her to a wheelchair.

Bob doesn’t have the strength to paddle by himself, so he has outfitted his canoe with the sail from a windsurfing board and with outriggers for stability. This summer, he and his black Labrador, Jeep, will begin their trip downriver, with the hope of making about 20 miles a day, camping on river beaches for seven nights, and, according to Bob, doing much singing off-key.

As he says, “This whole cancer experience has not been a totally bad thing. It’s given me a real chance to grow personally.”

Bob will sail alone, but he will know that at least 25 caregivers are cheering him on in their thoughts.
More physicians and nurses practice medicine at Kaiser Permanente than at any other civilian organization in America. We offer the best and brightest the opportunity to devote themselves to patient care.

At Kaiser Permanente, our physicians can focus on prevention and quality of care, and the patient is at the center of every decision we make. To keep health care affordable for our members, our physicians and clinical teams work collaboratively and use a variety of tools to keep their patients as healthy as possible. One part of our preventive approach is to send our members reminders to receive vital health screenings, which can help catch disease early.

What makes Kaiser Permanente unique are programs like our Southern California Region’s award-winning Healthy Bones Model of Care. In older people, broken bones are a major life-altering event. One out of every four older people who breaks a hip dies within a year of the accident.

The Healthy Bones program demonstrates our dedication to one of our founding principles: prevention. Rather than just treating broken bones, our clinicians developed a program that would help prevent them. In 2008, this breakthrough work reduced the number of broken bones by more than 41 percent. How did we get such dramatic results? With the help of our clinical IT systems, our caregivers can identify high-risk patients, and those
patients are assigned to care teams for ongoing support. Care is better, members suffer fewer breaks, and costs go down.

Our Southern California Region quickly adopted these practices, avoiding broken bones and saving more than $35 million in care costs in 2008 alone. More important, by preventing those broken bones, we estimated saving 233 lives in that region. We hope to prevent thousands of broken bones across our regions in 2009, and we know that our dedication to prevention, coordination, and use of the latest evidence and technology, will continue to yield improved outcomes for our patients.

Helping our nurses do what they do best.

At Kaiser Permanente, we are inspired by the care and optimism that our 40,451 nurses bring to millions of people every year. For patients who are uncomfortable or in pain, nurses are a source of comfort. For patients who are anxious or frightened, nurses are a source of reassurance and peace.

But we are also committed enough to ask how we could give our nurses more hours in every day to let them do what they do best.

So last year, in collaboration with St. Louis-based Ascension Health, the largest Catholic nonprofit health system in the U.S., we completed a study called Time and Motion to discover ways to make nursing even more patient centered. A major goal of this study was to understand what nurses do every minute of the day, so we could help them spend more time with patients: observing changes in their conditions, administering medications, teaching, and just offering a quiet word of encouragement.

The study collected data from 767 nurses in 36 geographically diverse locations across the country, nearly half of which are Kaiser Permanente facilities. We discovered that nurses walk between 2.4 and 3.4 miles per shift. We learned that paperwork and administrative tasks consume more time than direct patient care. Patient care at a face-to-face level accounted for about 19.3 percent of each nurse’s shift, while documentation took more than 35 percent. Medications administration took 17.2 percent of their time, while only 7.2 percent of nursing time was spent assessing the patient and reading vital signs.

The nurses and researchers who did the study reached important conclusions about how nurses’ shifts can be restructured to improve medication accuracy, to improve patient safety, and simply to allow more time with patients.

As a result, Kaiser Permanente and several other leading health care organizations are taking steps to better support nurses, so they can provide the nurturing care that means so much, much more often.

One of these steps is Destination Bedside, a two-year project that aims to design solutions that minimize disruptions to patient care, help nurses enhance their role as patient advocates, and improve patient outcomes. Taking place at two pilot locations in our Northern California Region, Destination Bedside will provide a learning ground for ideas that can be leveraged across Kaiser Permanente and by other health care institutions across the country.

“Working here, I’m able to focus on my patients. Kaiser Permanente’s system gives me all the tools I need to provide the best care,” says Megan Sterner, RN, OB/GYN, from our Mid-Atlantic States Region.

Better care for the chronically ill.

One of the most challenging problems any health care organization faces—Kaiser Permanente included—is the patient with chronic illness, such as heart disease or diabetes. More than 10 years ago, we formed the Care Management Institute to improve the health outcomes of these patients, reduce readmission rates, and improve Kaiser Permanente’s resource utilization.

In 2008, CMI focused on care transitions to improve the patient’s transfer from hospital to home. This high-risk time can affect the patient’s recovery—anything from recurrence of symptoms to readmission to the hospital. This program benefits the health, wellness, and comfort of our members.
We know that the most effective learning comes from direct experience and hands-on practice, and now we can provide that practice without impacting a patient. One of the ways we do this is through our ongoing commitment to innovation, our use of advanced technology, and our continued learning, both in the classroom and on the job. Following the lead of commercial aviation and other high-reliability organizations, we have begun to offer our health care providers this experience through the use of simulation.

Kaiser Permanente recently invested millions of dollars to ensure that all of our regional medical centers have simulation equipment to practice medical procedures. These life-size simulation “patients” are computerized and wireless, and react to common procedures almost like a human. This lets our caregivers practice for emergency situations in a realistic, structured, and safe environment.

The full-body adult simulator is a computerized, advanced patient simulator designed for training multidisciplinary health care teams. This simulator features realistic anatomy and clinical symptoms. Caregivers practice myriad tasks, from administering fluids and medication, to treating respiratory distress and other emergency situations.

Other simulation “patients” include a baby simulator, along with a wireless, full-size adult female mannequin—she gives birth and can display a range of potential delivery complications. There is also a simulated 10-year-old boy, who helps train caregivers on a wide range of advanced pediatric emergencies.

Training scenarios are individually designed to be relevant to each participant’s clinical practice. Simulation addresses best practices in clinical tasks and skills, and tests both new and existing systems. Our scenarios emphasize teamwork, communication, leadership, decision making, and resource management during a critical event—all things that will keep our patients safe during a hospital visit.

caregivers gain priceless experience treating mannequins
In the summer of 2008, Cindy Starnes was diagnosed with type 2 diabetes. Her first reaction was fairly typical: a painful combination of denial and fear. But as we all know, nothing is ever gained by hiding from reality.

Fortunately, her primary care physician, Wilson Wu, MD, from our TownPark Medical Center in Kennesaw, Ga., had helped many patients through this transition before. With large doses of consideration and encouragement, he patiently explained the realities of her new situation.

First, he signed Cindy up for two of our diabetes classes, “Diabetes Basics” and “Beyond the Basics,” which were taught by a registered nurse and a dietician. Being skilled motivators, the class instructors gave her the tools she needed to better understand diabetes.

Constant contact was the next step. Dr. Wu prescribed a glucose monitor and had Cindy e-mail him her morning counts for several months. Using kp.org, she e-mailed Dr. Wu two to three times a week about her results, and he responded personally to every e-mail.

By using us as her support system, Cindy has lost 33 pounds, and her sugar levels have dropped from 142 to the high 90s. All these positive changes were made through diet and exercise alone. As Cindy says, “Some days my blood sugar hits higher numbers than I would like. The key is not to get discouraged. I look at how far I have come in a few short months, and am excited about what I can accomplish in the future.

“I have talked with other people who have been diagnosed with diabetes, and they were not given a fifth of the information that I was to help me lead a long and productive life. I really appreciate that the care teams at Kaiser Permanente are doing their best to help me control what I can at the onset of this disease, versus letting the symptoms get worse. Thank you, Dr. Wu and thank you, Kaiser Permanente.”
who says health care can only happen in a hospital?

For decades, conventional wisdom has said that real medicine happens in a hospital. But we have always believed in extending care far beyond our walls. The most dramatic example of this belief is the way we have built a seamless connection among each of our doctors and nurses through KP HealthConnect, and then expanded that connectivity to include millions of our members.

There are hundreds of examples of how KP HealthConnect is improving our care delivery and kp.org is improving the lives of our members. One particular example: in one hospital that uses barcode scanning linked to KP HealthConnect, we saw more than a 50 percent reduction in medication errors—improving service to our members and the quality of their care.

More contact with millions of members.

Building on the foundation of KP HealthConnect, the growth of My Health Manager on kp.org has been extraordinary. Today, 3 million members actively use My Health Manager, available 24/7. They send us nearly 600,000 e-mails each month, and receive prompt, detailed responses from their physicians, their nurses, and our other staff members. Our members have always enjoyed strong personal relationships.
with their caregivers. These additional communications make their relationships even stronger.

Besides increased contact, our members also enjoy increased convenience. They have viewed more than 26 million test results online, and have filled 3.5 million prescriptions online. It’s almost impossible to estimate how many gallons of gas and hours on the phone this has saved. And members who book appointments online are up to 50 percent more likely to keep them.

A checkup at home, every day.

We continue to link our integrated delivery system with new technologies. Home health monitoring, a pilot in our Northwest Region, is one technology that can increase our contact with patients. For example: following a triple bypass, one of our members in that region needed close communication with his cardiac specialists. Every morning, he steps on a scale, then uses a blood pressure cuff. His vital data, along with a record of his pacemaker activity, are uploaded to a Web site that we monitor every day. If he forgets to check in, a device on his night stand starts flashing, then prompts him to answer multiple-choice questions about fatigue, shortness of breath, swelling in the feet, and more. The idea is to catch problems early, in line with Kaiser Permanente’s preventive approach.

Another pilot also is an encouraging development: our teledermatology clinics. All across the country, dermatologists are in short supply. To better serve our members, we are introducing teledermatology clinics in our Northern California Region. These clinics use technology to connect members and their primary care physicians to dermatologists. Using digital images and electronic health records, the dermatologist can diagnose and treat a skin problem. As a result, our member waiting times in that region have dropped to less than 24 hours—versus weeks or months, which is the standard waiting time outside of Kaiser Permanente.

We believe that, by putting information technology in the hands of caregivers, we can expect dramatically improved outcomes across all fronts, from the way caregivers collaborate, to the way members manage their health when they are well.

At the Telephonic Medicine Center in our Colorado Region, advice nurses and their manager agreed to be more flexible in scheduling evening and weekend shifts to better meet members’ needs. The result: Patient callback times on the weekends dropped significantly. In a recent member survey, 96 percent of respondents reported their experience with after-hours/weekend advice as excellent or good.
As it turns out, there is a whole range of positive steps, large and small, that can be taken to improve the health of an entire community. And we are taking them every day. At Kaiser Permanente, we recognize that healthy communities and a healthy environment are fundamental to individual health and wellness.

In fact, last year’s community benefit expenditures of $1.17 billion focused on a full spectrum of sustainable community activities that helped benefit our communities in literally hundreds of good ways. From offering community grants to supporting the safety net for vulnerable populations, from creating a healthier environment through our green building strategy to sharing significant findings from our researchers, we’re dedicated to building stronger, healthier communities.

Two of our well-received activities help young and old alike understand the importance of sound health practices. So this year, once again, we taught and entertained more than 600,000 students and their families with our Educational Theatre Program. Our Healthy Eating Active Living program has expanded into 39 communities, where we are working to bring wholesome foods and safe physical activity to local schools, workplaces, and neighborhoods.
Providing the highest standard of care for everyone.

From Medicaid to medical financial assistance to our safety-net partnerships, we have a broad array of initiatives providing care and coverage for low-income families and traditionally underserved populations. Whether it is through Kaiser Permanente or through one of our community-based health partners, we are helping to shape a new benchmark for access to high-quality care.

We support a robust safety net for underserved communities and give them the full benefit of our expertise and our dollars, to help improve their services and sustain them for the long term. For example, Kaiser Permanente has supported the Institute for Healthcare Improvement to provide more than $1.5 million in training grants to allow more than 500 clinical scholars from the safety net access to top tier learning and professional development.

Our signature Charitable Health Coverage programs, which we pioneered almost 25 years ago, continue to enroll uninsured persons in Kaiser Permanente, and they grew more than 16 percent compared to 2007. In early December 2008, our enrollment topped 100,000.

Giving back is in our DNA.

Last year, on Martin Luther King Jr. Day, almost 5,000 employees and physicians—from 79 sites across all eight regions—dedicated their time and talent as part of Kaiser Permanente’s day of volunteerism. Since 2005, we’ve returned to the Gulf Coast to honor a long-term pledge we made to help with Hurricane Katrina recovery and rebuilding efforts. From helping repaint schools to hanging drywall in storm-battered homes, every year, hundreds of employees and physicians volunteer to be part of this gratifying project.

To help support this enthusiasm, we’re in the process of developing KP Cares, a Web site that makes it easy for our employees to match their skills and interests with the needs of people in their communities, in their regions, and even throughout the world.

With a workforce of 167,338 employees and 14,641 physicians—and the depth and breadth of volunteer opportunities available—we want to reach out and help as much as possible for years to come.

Sharing what we know makes a difference.

Research conducted at Kaiser Permanente shapes the way in which the entire medical field practices medicine and informs people everywhere how to improve their health.

Our research teams continue to generate important findings to help our caregivers and members better understand how to prevent, manage, and treat a variety of health care concerns such as obesity, diabetes, and heart disease. For example, in 2008 our researchers announced results from a study that found the onset of diabetes before motherhood has more than doubled among teenage and adult women in the last six years. Another study drew on four decades of our diverse member data and found that people in their 40s with larger stomachs have a greater risk for dementia when they reach their 70s. Given that experts agree dementia research today is where cardiovascular research was 30 years ago, this study has helped advance an area that is increasingly important as our population ages.

As one of the nation’s largest research institutions, our unique combination of assets provides a distinct advantage. We have a large, stable membership that is representative of diverse populations, highly experienced investigators, and access to our state-of-the-art electronic health records. All of this enables us to conduct in-depth analyses, gain valuable insight, and translate it into practice as quickly as possible. Once we make a discovery, we publish our findings and communicate our
knowledge to health care and public health practitioners, policymakers, and the general public—all in an effort to make a difference in the lives of people around the world.

With millions of members today, and a member base that dates back to 1946, we have one of the most robust collections of patient data assembled. This enables us to conduct comparative effectiveness studies and evidence-based research on a large, diverse, and geographically distributed population.

Dedicated to making everything greener.

We are dedicated to greening our organization because our environmental efforts have direct, positive effects on individual and community health. This is not a new direction for us. We have felt this way since the beginnings of the environmental movement in the early 1960s.

Four decades later, we are building greener hospitals, using safer chemicals, reducing waste, providing healthy, sustainable food sources, and looking at new ways to use less energy.

On October 1, 2008, in Modesto, Calif., we opened our most environmentally friendly hospital to date. Kaiser Permanente’s Modesto Medical Center has earned national recognition as one the “greenest” health care facilities in North America. What makes this hospital so green? The 670,000-square-foot facility—situated amid farms and orchards—features energy-reducing materials as well as furnishings and fixtures that use fewer toxic chemicals. Other design features, notably liberal use of natural light, promote health. And the hospital opened fully equipped with our electronic health record, KP HealthConnect, which eliminates the need for paper records.

Other green features of our Modesto hospital include permeable paving in the parking area—which filters chemicals from rainwater runoff—as well as rubber flooring that does not leach toxins or require harsh chemicals to maintain. Rooftop solar panels on the attached medical office building generate enough electricity to power 50 homes.

Building green is only one part of our approach to sustainability. Across Kaiser Permanente, we are partnering with local farmers to host farmers markets, building parks and bike paths to promote physical activity and reduce air pollution, and looking for new ways to conserve resources. For example, we are saving 925,000 gallons of potable water each year by migrating to digital X-ray imaging systems. And we’re recycling electronics responsibly—such as 74,000 pieces of electronic equipment in 2008.

We are also committed to greening our energy portfolio, and in 2009, we will expand the use of solar power at our hospitals and medical office buildings. These installations are part of a larger plan to use renewable energy sources at our hospitals, medical offices, and other buildings nationwide.
Building on the success of a walk-in mammography program, our Ohio Region’s Radiology Department began offering walk-in days for non-contrast CT scans. One day a week, patients can now get prescribed CT scans without an appointment at the Cleveland Heights and Parma Medical Centers. As a result, wait times for non-contrast CTs went from two weeks to just two days. CT scans are computer images of the body linked to X-ray machines. They are used to diagnose muscle and bone disorders, locate tumors, detect and monitor diseases such as cancer or heart disease, and more.

Kaiser Permanente
2008 community investments

- Members enrolled in our charitable health coverage program: more than 100,000
- Grants given to safety-net clinics, hospitals, and health departments: 381
- Funds provided to safety-net clinics, hospitals, and health departments: $36.9 million
- Mercury purged from facilities: 1,400 pounds
- Amount of reflective roofing installed to dramatically reduce cooling costs: 50 acres
- Research and evaluation studies undertaken by Kaiser Permanente investigators: 3,150
- Articles published in peer-reviewed journals about study findings: 685
- With entertaining, informative prevention messages, our Educational Theatre program reached: more than 600,000 people
You can’t open a newspaper or listen to a broadcast news program without hearing the same three words: Health Care Reform.

Everyone agrees it’s necessary. And most agree that financing needs to be fixed, care delivery needs to be improved, and health care needs to extend beyond hospital walls. As it stands today, millions of Americans do not have access to affordable health insurance and the care that comes with it. The trend in the cost of health care—twice the rate of growth of the rest of the economy, and the circumstances that drive it—need to be addressed.

After taking good care of millions of Americans, we’d like to share what we’ve learned along the way.

Universal coverage and care systems reform can only succeed as a package.

At Kaiser Permanente, we believe that all Americans should have access to affordable, high-quality health care coverage. This coverage should include prevention, services to help manage chronic conditions, and protection from catastrophic illness. Universal coverage will improve health outcomes for the currently uninsured and will reduce health disparities. A reformed health care delivery system is needed to ensure that patients receive the right care, at the right time, in the right setting.
Health care reform should be built on a foundation of universal coverage.

To keep coverage affordable and to finally fix the broken health care system in this country, the way care is delivered and paid for must change. Financial incentives must be changed so that insurers, hospitals, physicians, and other providers compete on quality and efficiency. Physicians and caregivers must have the right incentives to provide the highest quality of care without promoting overuse.

Finally, individuals must be encouraged to seek high-quality care and to become more actively involved in maintaining their own health. Provider payment reform should promote greater coordination and collaboration of care and the use of decision-support tools, such as electronic health records.

Complete connectivity ought to be the new gold standard and core competency for U.S. health care.

Data and connectivity are critical to determining how to provide the best, most efficient care, so we at Kaiser Permanente are convinced that every citizen should have a complete electronic health record. All care providers should have access to all the data, about all their patients, all of the time. Then, as we are doing, caregivers can use that data to focus on the most expensive chronic conditions, so they can manage care better and keep people healthier.

With systematic care, asthma admissions, kidney failures, and congestive heart failures could be cut in half.

Reform should promote improved management of chronic conditions and reward prevention and early detection. Additionally, health care reform should address the root causes of poor health by promoting public health, community-based prevention, and workplace efforts to support healthier lifestyles.

There needs to be a profound cultural shift in which all Americans realize that protecting their health is just as important as maintaining their cars during and after the warranty period. When this happens, coverage will be far more affordable for everyone. It will also lower the cost of Medicare and Medicaid that is paid for from public funds.

A transformation will happen by refocusing care delivery on chronic health conditions and by providing information that patients can use. A personal health record gives patients a complete picture of their personal health information so they can be active participants in managing their health. This helps alleviate strain on the insurance system and the overall health care delivery system.

It will only happen when 306 million Americans become active partners in the lifetime job of keeping themselves healthy.

As an organization that has already started millions of its own members down that path, we will help in every way we can.

Kaiser Permanente contains all of the components of care delivery and financing: doctors, hospitals, pharmacies, laboratories, imaging centers, and more.

“Why is playing all the positions important? We are an 8.6 million-member microcosm of the United States, showing the rest of America what is possible.”

~ George C. Halvorson
Chairman and CEO, Kaiser Foundation Health Plan, Inc., and Kaiser Foundation Hospitals
Kaiser Permanente
year-end numbers (as of 12/31/08)

2008 operating revenue $40.3 billion
2008 operating income $1.5 billion
2008 net income ($794 million)
Members 8.6 million
Employees 167,338
Physicians 14,641
Nurses 40,451
KP facilities 35 hospitals, 431 medical office buildings
Doctor office visits 36.7 million*
Prescriptions filled 129 million*
Surgeries 547,338*
Mammograms (ages 42 to 69 years) 1.1 million*
Colorectal cancer screenings (ages 51 to 80 years) 1.6 million*
Members using My Health Manager on kp.org 2.7 million
Lab test results viewed online 16.7 million
Secure e-mails sent to physicians and clinicians 6 million
Online requests for appointments 1.4 million

*Source: 2008 Healthcare Effectiveness Data and Information Set (HEDIS®)
HEDIS is a registered trademark of the National Committee for Quality Assurance (NCQA).

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*as of 12/31/08
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