

What Draws International Visitors to Kaiser Permanente: Integration, Innovation, and Information Systems in Health Care

By Molly Porter, Director of Kaiser Permanente International, September 2011

I have had the honor of working for Kaiser Permanente for 22 years – in two distinctive 11-year periods. For most of the 1980s and the early 1990s, I held various positions in Kaiser Permanente’s Public Affairs Department. Then I took a break to run my own health care communication consulting business, where I handled projects for a range of health care organizations, including some of Kaiser Permanente’s competitors.

When I returned to Kaiser Permanente in 2001 to work first as a communications consultant in Kaiser Permanente’s Information Technology Department and then as a manager of communication at several medical centers, I was struck by how the culture had changed. In the 1980s, we were content to be “good,” as exemplified by the advertising slogan we used for several years: “Good People. Good Medicine.” By 2001, Kaiser Permanente was determined to be great. This was reflected in part by a transposing of two phrases in our mission statement. While we originally set out to provide “**affordable, high-quality** care to our members and patients and to improve the health status of the communities we serve,” in the 1990s we decided that should instead be “**high-quality, affordable** care.” Quality now comes first, and we have invested heavily in state-of-the-art information technology, health promotion, and care management programs to enhance quality.

In 2010, we received proof that we were achieving our mission, when the Hewitt Health Value Initiative showed Kaiser Permanente to be 17% more cost-effective and 117% better in clinical quality than the all-plan average in the markets it serves.

Since 2006, I’ve been the director of Kaiser Permanente International, a self-supporting, nonprofit educational subsidiary that responds to the international interest in our Program – through programs at Kaiser Permanente and abroad. Over the past five years, I’ve been amazed to discover how many countries hold up Kaiser Permanente as a model. While we have been on a conscious journey to become great for well over a decade, and indeed are in the top 10% of U.S. health plans according to many quality ratings, we are also a self-critical organization. So when I ask people from across Kaiser Permanente to meet with our international visitors, they’re often surprised that health care leaders are coming from around the globe to learn how we do things.

In this article I’d like to summarize just what it is that draws international visitors to Kaiser Permanente. While we are by no means perfect and know we must always improve, our visitors are often inspired by our accomplishments in three key areas – integration, innovation, and information systems.

Integration

When Kaiser Permanente International started offering educational programs for international visitors in 2004, they were originally titled “The Integrated Health Care Experience.” This indeed has been part of Kaiser Permanente’s secret sauce since the

formative days on the Mojave Desert. And it's a key reason that people come from all over the world to visit Kaiser Permanente.

In 1933, Sidney Garfield, MD, contracted with the Metropolitan Water District of Southern California to provide medical care for workers building the Colorado River Aqueduct across the Mojave Desert. He found himself near bankruptcy because the workers could not afford to pay his fees, and insurance only covered on-the-job injuries. Dr. Garfield conceived a plan in which workers would have a nickel a day deducted from their paychecks to cover the costs of their medical care and their employers would contribute a dime a day to cover industrial injuries. From the income generated in this manner, Dr. Garfield was soon able to pay off his debts and expand his operations.

By changing from a fee-for-service to a prepaid, salaried model, Dr. Garfield realized he would be better off keeping workers healthy than waiting for them to get sick and come see him. Story has it that he started walking around the construction site to pick up rusty nails and nail down loose boards to prevent injury. He also spent lunch hours giving health education lectures to the workers about how to take care of a cold so it didn't become pneumonia, and providing other important health tips. In addition to caring for illness and injury, Dr. Garfield was in the prevention business.

Thus, health promotion became integrated with medical care, and the insurance end of the business became aligned with the delivery of health care. The great industrialist Henry Kaiser heard about this successful experiment in the desert and recruited Dr. Garfield to set up a similar prepaid group practice health plan for workers building the Grand Coulee Dam in the 1930s. Later, during World War II, Henry Kaiser and Dr. Garfield set up prepaid plans at Kaiser shipyards in the San Francisco Bay Area and Vancouver, Washington, as well as at the Kaiser steel mill in Fontana, California.

Integration went even further. Not only were Dr. Garfield and his fellow physicians paid salaries based on employer/employee contributions, but medical facilities were built at the work sites. There, primary care physicians and specialists worked together in integrated medical offices and hospitals – often with laboratories, pharmacies, and radiology departments – to take care of a defined population. Thus began the “one-stop shopping” that has been delighting our members for decades.

The workers and their labor unions were so pleased with this arrangement that – as the war ended – they asked Dr. Garfield and Henry Kaiser to open the program to the public so they could continue receiving this prepaid medical care. In 1945, Kaiser Permanente opened to the public, despite harsh criticism from the medical establishment. Today it is widely cited in the literature as one of the best examples of health care in the U.S., in large part because of its integrated structure and aligned incentives.

My Kaiser Permanente colleagues might argue that we're not fully integrated – in fact there are many separate organizations that make up the umbrella organization of Kaiser Permanente. Our physicians and physician leaders belong to eight independent Permanente Medical Groups, each with its own Board of Directors, while many of our administrators, nurses, pharmacists, economists, information technology professionals, etc. work for Kaiser Foundation Health Plan or Kaiser Foundation Hospitals. We have complicated reporting and budgeting structures, and every year each Permanente Medical Group renegotiates its Medical Services Agreement with the regional Kaiser

Foundation Health Plan, determining the per-member, per-month budget for the Medical Group that year.

But few of our members or even our own staff understand all these complexities, and they don't need to in order to fulfill our mission. To the outside world, we are one organization with one source of revenue – our members' prepaid dues. All 15,000 of our physicians and all 164,000 of our employees work for a salary, usually with incentive pay tied to performance. And we work alongside each other in our facilities, as well as being connected by information technology.

These aligned incentives stand in stark contrast to much of the rest of the world (including much of the U.S.), where doctors practicing alone or in small groups may try to maximize their fee-for-service or capitated incomes and whose financial incentives are seldom aligned with payers – be they government, employers, insurance companies, or patients. At Kaiser Permanente, the Permanente Medical Groups know that Kaiser Foundation Health Plan must do well for the doctors to do well. After all, the Health Plan attracts and enrolls Kaiser Permanente members and pays for our facilities, information technology, medical malpractice, and many other facets of operations. The Permanente Medical Groups and Kaiser Foundation Health Plan/Hospitals must work together to thrive, or even survive.

Innovation

Kaiser Permanente evolved out of Dr. Garfield's innovations in health care delivery in the Mojave Desert. Once he realized he would have to deliver care with a fixed revenue stream, Dr. Garfield innovated to prevent illness and injury, to the benefit of everyone. I had the great fortune of interviewing Dr. Garfield several times before his death in 1984 at the age of 78. During the final years of his life, he was working as a chief investigator for the Total Health Care Project at our Oakland Medical Center. Funded by grants from Kaiser Foundation Hospitals and the Henry J. Kaiser Family Foundation, this pilot research project involved a team of physicians, health educators, counselors, and nurse practitioners who emphasized health promotion as a key component of medical care for their patients. Today this notion of "Total Health" guides our Thrive campaign and general approach to keeping people healthy rather than waiting for them to get sick to treat them.

In the 1950s, in the throes of the Cold War and the McCarthy Era, Kaiser Permanente was seen as a dangerous innovation – possibly linked to socialism and going against the grain of solo practice, fee-for-service medicine in the United States. Accused of delivering inferior medicine that denied patients the right to contract with the physician of their choice (closed panel group practice set some limitations on choice), for several years negative press interfered with physician recruitment. Our doctors were denied membership in a number of medical societies as well as privileges at a few hospitals. We demonstrated our commitment to expert medicine by participating in academic symposia and contributing to publications. We also built our own hospitals and medical office buildings in California, Oregon, and Hawaii, designed to provide convenient one-stop medical care for physicians and patients.

In addition, we set about measuring whatever we could to prove to the rest of the U.S. that we do indeed deliver high-quality medical care. Today there is no doubt about that. In fact, our early focus on measurement and investment in computer systems put us in a

better position than our competitors to submit the kind of data that health plans have been asked to report for more than 20 years now.

While Kaiser Permanente was in itself an innovation and has continued to innovate over the years, we have formalized these processes in recent years by opening the Sidney R. Garfield Innovation Center in San Leandro, California, in 2006. There, ideas are tested and solutions are developed in a hands-on, mocked-up clinical environment. Many aspects of delivering health care are innovated using real-world scenarios and activities, such as simulations, technology testing, prototyping, product evaluations, and training. After initial testing at the Garfield Center, successful initiatives may undergo additional testing in live patient environments at various Kaiser Permanente facilities. At that point, they may be discarded or embraced and disseminated across the program.

One of the most widely disseminated innovations to date has been KP MedRite, which has reduced our hospital medication errors through a frontline-designed process that includes checking barcodes on prescriptions against patient wristbands and allowing nurses who are delivering medications in the hospital to wear “do not interrupt” sashes that prevent anyone from talking to them (except in emergencies) until the nurses have successfully administered the medication. This innovation has been so successful that more than 20 hospitals in Canada have adopted it. With the goal of sharing successful innovations, Kaiser Permanente founded the Innovation Learning Network, where nonprofit health care organizations from around the world meet to learn from each other and adopt innovative practices that improve patient care.

In 2008, several of Kaiser Permanente International’s educational programs added a visit to our Garfield Innovation Center, and these programs were renamed “Integration and Innovation in Health Care. In 2011, we opened a Center for Total Health in Washington, DC, a place for innovators, leaders, influencers, and believers in wellness to talk about health. An interactive learning destination for the public, policymakers, and the health sector, the center demonstrates what Kaiser Permanente and others are doing to advance health. Kaiser Permanente International now offers educational programs for international visitors in Washington, DC, as well as in California.

Today innovation is an expected behavior at Kaiser Permanente. My own performance review document for 2011 lists as the first of expected Core Behaviors, “Champions Innovation and Change” – defined as follows: *“Embraces and generates better and innovative ways to improve performance aligned to a shared purpose. Commits to sustained, effective change.”*

I take this to mean that, no matter how highly international visitors might rate Kaiser Permanente International’s educational programs, there is always room for improvement. We ask participants in our programs to tell us how we might do better, and we try to act on these suggestions. This sometimes mean giving difficult feedback to Kaiser Permanente speakers (or taking to heart critical feedback that I receive), all in the spirit of innovation and continuous improvement. It keeps the job stimulating!

While many organizations and health systems around the world claim to embrace innovation, they also cite resistance to change as a major stumbling block. It is natural for people to become comfortable with how they perform a job – be it practicing medicine or processing forms – and they rely on the vision provided by leaders and the data provided by systems to help them embrace change. Kaiser Permanente recognizes the

importance of leadership, constructive feedback based on data, and change management in moving forward. Our leaders make a compelling case for continuous improvement, and our culture and data systems spur physicians and employees to improve.

Information Systems

In 1970, Dr. Garfield published an article in *Scientific American* that stated: “Continuing total health care requires a continuing life record for each individual . . . The content of that life record, now made possible by computer information technology, will chart the course to be taken by each individual for optimal health.” Clearly Dr. Garfield was a visionary, and he helped create a culture that embraces change and new technology. Over the years, Kaiser Permanente has invested heavily in computer systems. In fact, the joke within our organization is that we used to buy one of every IT system ever made! By the late 1990s, we realized we had too many unlinked software systems (numbering in the thousands) and started the long journey of integrating or replacing them.

In 2010, Kaiser Permanente completed replacing or integrating its myriad clinical information systems, using Epic Systems to replace most of our clinical core systems and to build interfaces with dozens of other legacy systems. Now the records for our 9 million members are connected – with primary care linked to specialty and hospital care, pharmacy, radiology, laboratory, physical therapy, etc. – and we call this integrated IT “KP HealthConnect.” This is the largest private-sector deployment of an electronic record system in the world. (The U.S. Veterans Administration is the largest public-sector deployment of an electronic record system.) But as we like to say at Kaiser Permanente, when you have integrated your information technology, you have simply poured the foundation for a new house. Now you have to build that house!

So we have set about building our new house, using our newfound IT capabilities to transform care delivery. As a patient, I can now:

- Email any health care professional I have recently seen, and expect a response within 48 hours
- See most of my laboratory results online, usually at the same time they become available to my doctor
- Book or cancel appointments online
- Order prescription refills online
- Seek information about most medical conditions or treatments online, with access to both a health and a drug encyclopedia
- Get help in making health decisions by reading through the pros and cons of certain procedures (such as cataract surgery or MRIs) and answering questions to assess whether or not I want to go through with the procedures
- Complete a self-assessment of my health habits so that Kaiser Permanente can send me suggestions of steps I could take to get healthier
- Take online health promotion classes, such as stress management or weight management

Kaiser Permanente members are doing all this and more on kp.org. In fact, more than 60% of our eligible members (over the age of 13) have signed up for a password on kp.org. Surveys show that those who use the site are generally happier and more likely

to stay with Kaiser Permanente than those who don't. Once they understand everything they can now do online, our members are reluctant to switch to a health plan that doesn't offer the same features.

As exciting as it is to get members involved in their own care through kp.org, it's equally exciting that Kaiser Permanente is now involving more of its staff – medical assistants, licensed vocational nurses, registered nurses, health educators, and pharmacists – in proactive patient care. These professionals can see the gaps in care noted on patients' medical records and, under the guidance of a physician, reach out to members who are overdue for cancer screenings, blood tests, eye exams, or other visits to Kaiser Permanente. The goal is to be able to deliver as much care as possible to a patient in a single visit, rather than making them return for multiple appointments. Thus, a 55-year-old woman with diabetes may be called by a medical assistant to schedule her foot exam, blood tests, and mammogram on the same day that she is planning to have a routine physical. She may later be followed by a nurse or pharmacist care manager who helps her adjust her medications and make the needed lifestyle changes to improve her health. Integrating our information technology has allowed us to greatly strengthen our focus on prevention.

International visitors often comment that they don't think doctors in their countries would like the kind of transparency embraced by Kaiser Permanente and made possible by KP HealthConnect. They're surprised that our physicians are often willing to share their performance on selected measures, such as control of patients with diabetes or blood pressure, among themselves and with other health care professionals. They sometimes say their doctors wouldn't want to delegate some of the patient outreach tasks to less trained professionals. They may also wonder if patients should have access to so much information online, such as viewing most lab tests at the same time as the doctor. We had all the same worries when we started on this journey, and have been pleased to see how positive the results have been of increased transparency and empowerment of staff and patients.

Learnings from the Kaiser Permanente Model

Today health care leaders come from 44 countries to see our integrated clinical information systems as well as hear about our focus on integration and innovation. We hold programs in the San Francisco Bay Area, the Greater Los Angeles Area, the Washington, DC metropolitan area, and sometimes other Regions. We're aware that we still have a long way to go, but also pleased that so many international visitors draw inspiration from our example.

In 2009, Kaiser Permanente International renamed our main program for international visitors to reflect what health care leaders from other countries seem to find most inspirational about our model: "Integration, Innovation, and Information Systems in Health Care." In 2011, this has simply become "Learnings from the Kaiser Permanente Model," reflecting the fact that we want to share with others the many lessons that we have learned over the past 66 years, even as we commit to remaining a learning organization for decades to come.

For more information on Kaiser Permanente International's programs, go to kp.org/international.