

Health Care Reform—An Integrated Health Care Delivery System Perspective

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A national imperative: True health care reform requires innovation and integration to improve the health and care of our nation. Kaiser Permanente's integrated approach to health care places the patient at the center of the care model, and it enables seamless and effective care for members—whether care is provided in one of its own medical offices or hospitals or at a contracted facility.

INTRODUCTION

For much of the past year, there's been doubt over the future of health care reform. First the Supreme Court had to rule on the Affordable Care Act (ACA). Then, once its legality was upheld, ACA became a primary issue in the divisive presidential campaign and election.

Today, there's no more doubt: the runway has been cleared, and the country is "wheels up" on overhauling our nation's health care system.

The ACA's 91 provisions aim to improve the quality of care and control the rising cost of health care in America. Dozens of important provisions have already been enacted, with more to come, including the expansion of coverage to include 30 million more Americans by the end of 2014.

In simplest terms, health care reform should deliver better care to more people, and do it with fewer dollars per person. But to make this happen, we must shift from having a "sick care" system to a "health care" system—with an intense focus on preventing illness.

Why the need for such a radical shift? Because in the past decade, employers' health care costs have increased more than four times the inflation rate. The average U.S. household spends \$15,300 a year for a family of four on health care. And, as a nation, we spend nearly 18 percent of the gross domestic product on health care.

If we stay this course, the percentage of health care spending will increase to 35 percent of GDP by 2035. All of the financial pressures on the health care system, coupled with our slow economic recovery, continue to limit access to health care for millions of Americans.

Whether you're managing a small business, large enterprise, or your personal household finances, the rising cost of quality health care is an important issue both for businesses and citizens. Solving the health care crisis is an imperative for the economic competitiveness of our nation, as well as for the well-being of our families.

At Kaiser Permanente we believe that expanded access to high quality, affordable care is good for America today. And, such access will create a healthier nation in the future. We believe the ACA puts a framework in place to make this happen. Now it's up to us—all of us—to lead the way.

As an organization that provides health coverage and delivers health care, Kaiser Permanente members already experience the high-quality care that national, state, and local policymakers are striving to attain through regulatory and legislative reforms.

Using a prevention-based, patient-centered model of connected care, our care teams employ electronic medical records, a medical home approach, and a commitment to evidence-based practices to deliver exceptional care as affordably as possible for our members.



As we rapidly approach the implementation of the biggest provisions of reform, our industry should bring coordinated care organizations (CCOs) and insurance exchanges to the marketplace, to expand access to health insurance for all Americans. Such access calls for integration and innovation.

With more than 65 years of experience, Kaiser Permanente's connected care approach to improving the total health of our members and our communities offers a practical foundation of lessons for others to learn. Sharing these lessons and best practices to help make better care available to more Americans as they gain access to coverage through the ACA could also help bend the cost curve.

COORDINATING CARE FOR BETTER OUTCOMES

President Obama and health industry leaders around the world often point to Kaiser Permanente's team-based, connected care platform as a model for the future of the health care industry. Research shows that a collaborative health care system—demonstrating increased cooperation among physicians, hospitals, medical offices, pharmacies, labs, and health plans—leads to better patient outcomes.

But what does this look like? For Kaiser Permanente, care and coverage go hand in hand. Our health plan team works as part of the same team as our physicians, so insurance and clinical-services operations are intrinsically linked through shared technology to connect members to their care team and to their insurer.

Kaiser Permanente is one integrated system designed to support the more than 485,000 members in the Northwest who entrust us with their premium dollars. This integrated approach lets us put the patient at the center of the care model, and

enables seamless and effective care for members—whether in one of our own medical offices or hospitals or receiving care at a contracted facility.

The wisdom of this approach is spreading to accrediting organizations across the country such as the National Center for Quality Assurance (NCQA) and the Center for Medicare Services (CMS). They now recognize organizations for meeting high standards of integrated and coordinated care delivery—with the systems in place that support quality, access, continuity of care, and better patient involvement.

More recently, Kaiser Permanente has embraced the Patient-Centered Medical Home as a model to strengthen the physician-patient relationship with coordinated, personalized care. This team-based care is led by the patient's primary care physician, while enlisting the skills and knowledge of a group of health care professionals—from nurses and medical assistants to nutritionists, social workers, pharmacists, and other caregivers.

The care team, with the physician as quarterback, is linked by information technology, electronic health records and system-best practices to ensure that patients receive care when and where they need it, and how they want it. With the patient's records available online, that information is also easy for patients to access and use—with a range of tools that make it easy to interact with the care team, manage appointments, and order prescriptions.

The Patient-Centered Medical Home is gaining acceptance nationally as a best-practice method of care delivery, and it is a promising tool for successful health care reform implementation. It encourages measurable quality and prevention targets by focusing on patient outcomes.

Research shows this approach is capable of improving clinical outcomes, expanding access to care outside of the usual office setting, improving patient and staff satisfaction, and reducing health care costs.

All 17 of the Kaiser Permanente medical offices in Washington and Oregon have received a Level 3 Patient-Centered Medical Home Certification—the highest certification issued by NCQA. This model allows care providers to focus on what's most important: the patient.

COMPENSATING FOR PERFORMANCE

It has been said that the fee-for-service (FFS) payment model for care is the main culprit for the out-of-control costs of health care in America. It was born during The Great Depression under an insurance

model in which patients received a service and submitted a claim, after which an insurer assessed and paid the claim.

Unfortunately this model has no real way of controlling costs or assuring quality. This is because it pays physicians, clinicians, and hospitals strictly on the volume of care delivered.

The ACA calls for a number of steps that help move us away from fee for service medicine, toward a system that pays for quality and value. At Kaiser Permanente our response is: it's about time.

Because our physicians have the technology and care delivery model to deliver better patient outcomes and service, that's how they are evaluated and rewarded—never for delivering a certain number of services. We reward our physicians for keeping our members healthy, and to get the right care when they have chronic or advanced conditions.

Our programs, facilities, and caregivers have garnered third-party recognition for our industry-leading commitment to quality, prevention, and affordability from JD Power & Associates for highest member satisfaction for 2012; U.S. News & World Report for Best Hospitals 2012-13; and the National Committee on Quality Assurance (NCQA) for #1 health plans for quality in Oregon and Washington for the second consecutive year.

INFORMATION TECHNOLOGY REDUCES COSTS AND IMPROVES SAFETY AND QUALITY

Policymakers, industry leaders, and others have pointed to electronic medical records as a way to improve care and patient safety, while increasing affordability, which is why the ACA continues to nudge and incentivize the health care industry toward computerized data storage, and away from paper records and printed film.

At Kaiser Permanente, our state-of-the-art electronic medical record is the result of the largest nonmilitary information technology implementation in our nation's history. Our primary and specialty care doctors and staff have instant access to patients' medications, lab results, X-rays, and care plans, both in the ambulatory and hospital setting. That information is captured and shared across patients' care teams, and the system also allows patients to access the records.

This comprehensive health information system securely connects Kaiser Permanente's 9 million members nationwide to their health care teams, their personal health information, and the latest medical knowledge—leveraging the integrated

approaches to health care available only at Kaiser Permanente.

It also coordinates patient care between the physician's office, the hospital, radiology, the laboratory, and the pharmacy—while helping to eliminate the pitfalls of incomplete, missing, or unreadable charts. The fully implemented system has enabled us to streamline and retire many outdated systems.

Last year, Kaiser Permanente made its electronic health records accessible by smart phone with the launch of its mobile-optimized website, m.kp.org, as well as apps for Android and Apple smart phones. Now all Kaiser Permanente members have 24/7 access to their medical information and health management tools anywhere in the world from their mobile devices.

This movement to mobile and digital tools increases member satisfaction, drives greater accountability and engagement around personal care management, and, we believe, will help reduce health care administrative costs in the long run.

Implementing a fully integrated system in both inpatient and outpatient settings paves the way for further information sharing that will improve the future of health care for years to come.

EVIDENCE-BASED RESEARCH IMPROVES THE HEALTH AND OUTCOMES OF PATIENTS

Under the ACA, health care providers have been called upon to deliver a higher standard of prevention and care. How do we tackle such a large scale mandate? The answer is: together.

The federal agency for Healthcare Research and Quality (AHRQ), an agency housed under the Department of Health and Human Services, designates Evidence Based Practice Centers (EPCs) to produce evidence reviews on behalf of programs such as AHRQ's Effective Health Care Program, CMS, and the U.S. Preventive Services Task Force's Effective Health Care Program.

At Kaiser Permanente, we believe that one of the best avenues is the application of evidence-based practices to guide better patient outcomes. So, we were pleased that our Center for Health Research in Portland was recently named one of 11 EPCs awarded a three-year contract to produce evidence reviews for the U.S. Preventive Services Task Force.

The goal of this initiative is to collaborate among the industry to help patients, physicians, and policymakers make better decisions about screening and treatment for a variety of health conditions.

These evidence reviews draw on completed scientific studies to compare the positive or negative impact of different health care interventions. They also show where more research is needed.

Partnering across multi-disciplinary health care professionals, and tapping into clinical, organizational, behavioral, and policy perspectives will enable us—as an industry—to improve the health of all Americans by making evidence-based recommendations about clinical preventive services. These recommendations (1) inform prevention for a variety of conditions, including cancer, obesity, diabetes, kidney disease, osteoporosis, and mental health, and (2) support healthy aging.

ADDRESSING THE HEALTH OF OUR ENTIRE POPULATION

About 133 million Americans—nearly 1 in 2 adults—live with at least one chronic illness. The percentage of U.S. children and adolescents with a chronic health condition has increased from 1.8 percent in the 1960s to more than 7 percent in 2004.

Not only is this a financial strain on the health care system, it drives massive economic impact to employers—employee absenteeism costs American business an estimated \$153 billion each year. The number would shrink, dramatically, through better management and prevention of these chronic diseases.

Reforming the health care industry calls for reforming the health of the entire population. Patients in the United States receive only about half of the preventive and follow-up care now recommended by national guidelines. We should give care providers the tools and resources necessary to provide recommended preventative care to their entire patient population.

While primary care physicians may see 20 or 30 patients a day, there are hundreds of patients they don't see who often need preventive tests, medications, and screenings. By leveraging technology platforms, care delivery systems can improve care for healthy patients as well as for those with chronic disease.

In conjunction with the electronic medical record, using a platform such as the Kaiser Permanente Patient Support Tool (PST), health care providers can deliver more of the care to patients they are supposed to receive.

The PST, devised and implemented by doctors at Kaiser Permanente, is a web-based tool that helps primary care physicians manage care for individual patients, groups of patients, or their entire panel.

It does this by comparing the care the patient is receiving to the care that is recommended by national guidelines, and pointing out these “care gaps” to care teams.

The PST monitors recommendations pertaining to medication management and screening for co-morbidities in six chronic conditions: asthma, diabetes, coronary artery disease, heart failure, hypertension, and chronic kidney disease.

The tool also monitors preventive care measures, such as administering adult immunizations and screening for breast, cervical and colorectal cancer, hyperlipidemia, and osteoporosis. For each care recommendation, the PST indicates what actions need to be taken, if any.

Improving the health of large segments of our population and addressing large scale health issues such as obesity, diabetes, or asthma has proven successful in driving affordability and efficiency across the system. While the PST is a great tool to help physicians take better care of their patients, it does not override shared decision making between doctor and patient.

GIVING CONSUMERS THE POWER OF CHOICE

Under health care reform, individual consumers will be able to purchase health insurance through a state exchange beginning in 2013. The exchanges are intended to provide more affordable care and to subsidize individual and small business plans.

Positioned as state- or federally managed websites, health exchanges allow consumers the opportunity to choose a health plan, as well as to compare benefits and costs of each plan. Some states will allow all insurers to participate; others have asked insurers to bid to participate; and some states are creating a list of requirements insurers must meet to participate.

As states move toward health exchanges, Kaiser Permanente supports the development of exchanges, since this likely will be the marketplace where millions of low- and middle-income individuals and small business owners will be able to buy affordable health coverage.

As we work together to bring more choice and affordability to the insurance markets, we should ensure that exchanges accomplish the following:

1. Provide consumers a broad choice of high-quality health plans—an open, transparent marketplace promotes competition among plans and empowers consumers

2. Encourage the transformation of delivery systems—system reform helps standardize quality and service measures, providing consumers with consistent performance metrics
3. Facilitate informed consumer choice and competition based on value, quality, and service—helps consumers make fair and informed choices on factors other than price, such as benefits, cost sharing, quality, service, and ease of access
4. Minimize adverse selection relative to the outside market—active consumer outreach will inform consumers about the importance of coverage, potential penalties for noncoverage, and the advantages of purchasing through an exchange
5. Be administered by independent entities dedicated to the success and stability of exchanges and the market—exchanges should be insulated from state regulators or health plan competitors to guard against potential undue influence or control

OREGON: A LEADER IN COORDINATED CARE ORGANIZATIONS

September 1, 2012, marked the start of a new coordinated care organization (CCO) focused on the health care needs of more than 600,000 Medicaid consumers throughout Oregon. Health Share of Oregon (formerly known as the Tri-County Medicaid Collaborative) is a new and highly collaborative model involving more than 10 health care networks, including Kaiser Permanente Northwest.

Through Health Share of Oregon, providers will coordinate health care services for people who are covered by Oregon's Medicaid program, known as the Oregon Health Plan (OHP).

We are proud that Kaiser Permanente Northwest has been involved from the start in shaping Health Share of Oregon. The focus of the CCO on prevention and health equity aligns with Kaiser Permanente's mission, vision, and values. This focus embodies how we've always approached caring for the members and the communities that we serve.

By participating in Health Share of Oregon, we exercise our leadership and we share our best practices for delivering high-quality, affordable care; activating health information technology; and effectively managing population health.

As a CCO, Health Share of Oregon will develop new patient-centered, team-driven models of care. These models will offer greater opportunities for coordinated services with a focus on prevention, disease management, and reductions in health disparities. At the same time, they will help achieve the triple aim of better health, better care, and lower costs for OHP members.

Health Share of Oregon is an outgrowth of health care reform and pioneering state legislation that was ratified by Oregon state officials in February 2012. It is being supported in part by a five-year, \$1.9 billion grant from CMS. Projections estimate that the program will save \$11 billion over the next 10 years.

In addition to Kaiser Permanente Northwest, nine other health care networks comprise Health Share of Oregon. They include Adventist Health, CareOregon, Central City Concern, Clackamas County, Legacy Health, Multnomah County, Oregon Health and Science University, Providence Health & Services, Tuality Healthcare, and Washington County.

SUMMARY AND CONCLUSION

Health care reform is not about tweaking processes. It's about transforming an entire industry to address large scale economic and health imperatives facing our nation and future generations. We must do this together through innovation, integration, and personal responsibility.

At Kaiser Permanente, we believe this is an exciting time, because a lot of the reform is aimed at doing what we've been doing for years: (1) providing high-quality, affordable health care services and (2) improving the health of our entire nation.

So we're proud—and know that our founders would be, too—that today many organizations can look to Kaiser Permanente as a model, a proving ground, and a learning lab for the future of health care.

Andrew McCulloch is president of Kaiser Permanente's Northwest Region, overseeing the operation of an integrated health care program encompassing health/dental insurance plans, medical/dental offices, a network of owned/contracted hospitals, and the Center for Health Research. With the Northwest Permanente Medical Group, the Northwest Region provides care to nearly 500,000 members in Oregon and Southwest Washington. Under McCulloch's leadership, Kaiser Permanente's Northwest Region has earned numerous accolades for clinical quality and patient satisfaction. In 2013, McCulloch will lead the region's transition to a two-hospital system with the opening of the Westside Medical Center—the first new hospital in Washington County in nearly 40 years. Andrew can be reached at (503) 813-3805 or at andrew.r.mcculloch@kp.org.

