A BETTER WAY to take care of business
Susan Mullaney

President
Kaiser Permanente Washington
Kaiser Permanente Washington Strategy

Invest in our people

Invest in our people and new tools, IT infrastructure, facilities upgrades, and improved access to enable our success

Invest in brand

Invest in brand and market-facing capabilities that build on market-leading quality

Accelerate growth

Accelerate growth through improved price position, affordability, and optimize integrated care and coverage

Accelerate affordability

Provide care in our clinics by our providers, and improve long-term performance and community impact

2016 baseline: 651K members

1M+ Members by 2025
Joe Smith
Vice President
Marketing, Sales, & Business Development
MSBD Washington leadership team

Connie Marvik  
Senior Director  
Large Group

Fred Armstrong  
Senior Director  
Strategic Accounts

Melinda Hews  
Senior Director  
Small Group & Individual and Family

Karen Lewis-Smith  
Senior Director  
Medicare, Medicaid, & Public Programs

Lonnie Goodell  
Director  
Producer Relations & Small Group

Rick Henshaw  
Director  
Individual and Family & Medicare
Kaiser Permanente
exists to provide high-quality, affordable health care services and to improve the health of our members and the communities we serve
Leading the way in quality

Top-rated health plans in the nation — NCQA

Top Performer on Key Quality Measures® — The Joint Commission

Highest ratings in effectiveness of care — HEDIS®
Best in clinical quality seven years in a row

Aon Hewitt Health Value Initiative benchmarking study – Kaiser Foundation Health Plan, Inc.
Aon Hewitt, September 24, 2015
National snapshot

### Membership as of Dec. 31, 2016

<table>
<thead>
<tr>
<th>Region</th>
<th>Members</th>
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<tbody>
<tr>
<td>Colorado</td>
<td>663,240</td>
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<tr>
<td>Georgia</td>
<td>284,213</td>
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<tr>
<td>Hawaii</td>
<td>249,687</td>
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<tr>
<td>Mid-Atlantic States (VA, MD, DC)</td>
<td>665,402</td>
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<tr>
<td>Northern California</td>
<td>3,992,501</td>
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<tr>
<td>Northwest (OR, WA)</td>
<td>552,651</td>
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<tr>
<td>Southern California</td>
<td>4,264,119</td>
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<tr>
<td>Washington</td>
<td>651,000</td>
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**Nation’s largest nonprofit health plan**

- More than 11.3 million members
- 21,584 physicians
- 199,320 employees

- 38 hospitals
- 661 medical offices
- $64.6 billion total operating revenue (FY 2016)
Smart growth to serve our members

Expansion helps us improve access for members and bring high-quality care to more communities.

- Addition of Kaiser Permanente Washington region
- Expanding service in Colorado’s Mountain region, Maui, and Kauai
- Partnership with Dignity Health to jointly own St. Joseph's Medical Center in Stockton, California
- Numerous new facilities around California
How we’re combating rising costs

To increase value for your clients and their employees, we’re focusing on three key areas:

- Enhance care quality and efficiency
- Streamline operations and expense management
- Expand access to care through innovation
Producer partnerships
Our partnerships are key to success

Percent of Washington business from producers:

- **Large Group**: 96%
- **Small Group**: 86%
- **Individual & Family**: 44%
- **Medicare**: 28%
Continued commitment to you

- Build on strong relationships in Washington
- Bring the Kaiser Permanente philosophy of collaboration and continuous improvement

California Broker Customer Feedback System
Percent included in final recommendations (Large Group)

- 2012: 37%
- 2015: 51%
Continued commitment to you

- Build on strong relationships in Washington
- Bring the Kaiser Permanente philosophy of collaboration and continuous improvement

California Broker Customer Feedback System
Producer Satisfaction (% Rating Excellent/Very Good)

<table>
<thead>
<tr>
<th>%</th>
<th>LARGE GROUP</th>
<th>SMALL GROUP</th>
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<tbody>
<tr>
<td>70</td>
<td>61%</td>
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</table>

Account Management staff overall performance
Sales Representatives overall performance

- Closest competitor
- Kaiser Permanente
Product and service highlights
Stability for members. Same great care.

- Same local medical centers, doctors, networks, and community hospitals
- PPO model continues with our integrated care model as a central element
Our vision for serving Washington communities

- Improve access to quality, affordable care
- Ensure excellent member experience
- Lead the market as care and coverage provider
Improving member experience

- New member outreach
- Increased customer service staffing
- Continuous improvement
KP capabilities: access

On average, over 85% seen within 10 calendar days for specialty care (Mid-Atlantic States)
KP capabilities: member satisfaction

Patient Experience (Service/Satisfaction)
2010 versus 2015 CAHPS results for Mid-Atlantic States
Resources to support a healthy workforce

- Workforce Health
- Kaiser On-the-Job®
- Tools and resources to develop and manage an effective wellness strategy
- Value through integration

Wellness program

High-quality health care

Occupational health care
David Grossman, MD, MPH

Senior Associate Medical Director
Market Strategy and Public Policy
Pursuing medical excellence: the path forward
Better results through integration

Washington Permanente Medical Group

Kaiser Foundation Health Plan of Washington

Kaiser Permanente Washington
Investments for better patient care

- Information technology
- Facilities and equipment replace and refresh
- Increased capacity
- Excellent care experience
Improving care access

Personnel
- Improved staffing in medical centers
- Expanding medical group

Facilities
- New walk-in clinics: Port Orchard, Tacoma, Puyallup
- New CareClinics (from 10 to 15 locations): Des Moines, Silver Lake/Everett, Gig Harbor, Redmond Town Center, Snoqualmie
- New Burien medical center in the fall

Advancements in virtual care and telemedicine
A foundation of excellence in Washington

Washington Health Alliance 2016 Community Checkup

Commercial HMO 2016 eValue8 Survey

Medicare plans, highest accreditation, “Excellent”
Like Group Health, Kaiser Permanente is a great place to receive care
Kaiser Permanente School of Medicine

Slated to open in Fall 2019 in Pasadena, California. Designed around our care delivery model, which emphasizes:

- Patient-centered medicine and population health
- Innovation and advanced health information technology
- Diversity and inclusion
Garfield Innovation Center

The largest health care innovation center in the country, the Garfield Innovation Center, inspires the people of Kaiser Permanente to imagine new care solutions and gives them tools to make it happen.

Recent innovations:

- Enhanced interactive patient technology that helped reduce readmission rates
- Streamlined operating room emergency checklists
- Safer medication protocols that decreased response time to patient medication administration
Leading health care research that saves lives

Kaiser Permanente researchers conducted 4,500+ studies and published 1,100+ articles in 2015

- 5-year, $7.3 million grant from the National Cancer Institute to expand our innovative clinical trials program
- Groundbreaking genetic research powered by our electronic health record
- “Pioneering innovations” in implant registries
- Former Group Health Research Institute is now Kaiser Permanente Washington Health Research Institute, broadening resources and impact
Delivering excellence and value through coordinated care

- In our coordinated care model, doctors work together. They order only the tests a patient needs, which helps to streamline care and reduce medical errors.

- This helps manage costs and improve outcomes.

- Aon Hewitt recognizes Kaiser Permanente as a national leader in cost efficiency.*

*Aon Hewitt, October 12, 2016.
Excellence in population health
Tom Carter
Vice President
Workforce Health Consulting Group and Kaiser On-the-Job®
A BETTER WAY TO TAKE CARE OF BUSINESS

Workforce Health customer engagement
New paradigm in employee benefits

Health is a critical lever in driving improved productivity, not simply a component of employee compensation.

**Presenteeism**
The loss of productivity that occurs when employees come to work while ill and can’t perform well.

**Absence management**
The management of occupational and non-occupational reasons for employee absence.

**Health & productivity management**
New paradigm for collaboration between employers, employees, the health care delivery system, and the community.
Alarming trends in chronic conditions

Nearly half of Americans suffer from one chronic condition\(^1\)

25% of Americans have two or more\(^2\)

61% of Washington adults are overweight or obese\(^3\)

Chronic conditions account for 86% of health care costs\(^4\)

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Social determinants of health

- **Genetics & Family History**: 30%
- **Personal Behaviors**: 40%
- **Environmental & Social Factors**: 20%
- **Medical Care**: 10%

Source: Determinants of Health and Their Contribution to Premature Death. JAMA 1993
Unhealthy behavior = more risk, higher costs
53% Say they would be able to make better decisions about benefits if health-related improvements in job performance were linked to business metrics.

However, only 6% measure the ROI of their benefits.

And only 23% measure any outcome.

MISSING THE BOAT

HR and benefits leaders can add value and drive business success by focusing on achieving tangible business results as well as benefits cost and wellness program participation levels.
Workers’ compensation and disability costs

Did you know?

- **PEOPLE WHO SMOKE**: 40% more likely to have work injuries
- **PEOPLE WITH DIABETES**: 5x higher workers’ comp medical costs when injured
- **PEOPLE WHO ARE OBESE**: 2x as likely to have work injury, 7x higher workers’ comp medical costs, 13x more days away from work

- “The Impact of Comorbid Conditions on Workers Compensation Costs,” Coventry Workers Comp Services, 2010
There are great opportunities to use the workplace to support positive changes that can impact business performance.
Your role: change the conversation with leaders

➢ To what degree has the vision for a healthy and productive company been defined?
➢ To what degree is the vision aligned with business strategy?
➢ To what degree has this strategy been adequately resourced?
➢ To what degree has the responsibility for implementation been clearly assigned?
➢ To what degree is senior leadership modeling and cheerleading toward success?
Here is where workforce health is heading

Plug & Play Wellness “Programs”
- Business as usual
- Off-the-shelf wellness newsletters or fitness fair
- No ROI
- Lack of leadership support
- Not integrated with health insurance
- Reward participation with trinkets

Comprehensive Workforce Health Strategy
- Align with business goals
- Integrate processes to incorporate wellness strategies and disease management
- Track and measure workforce health, including data analytics
- Partner with comprehensive health care management
- Implement sophisticated rewards and communications
Reframing the insurance conversation

Insurance mindset
- Risk pool management
- Products
- Benefits
- Rates
- Churn

Move conversations over here. We can help manage this conversation.

Population health management mindset
- Impact of poor health on business: productivity, premiums, workers’ comp costs
- Integrated care management drives employee engagement
- Comprehensive health data
Where can we focus our reform energy?

- Workplace Environment
- Policies
- Benefits
- Financing
- Motivation & Engagement
- Communication
Customers need our advice more than ever

“When push comes to shove, I want people who’ll push.”
Julija Gelazis
Director
Member Marketing & Experience
Visual brand changes
New building signage
Medical center experience

Members will see staff wearing Kaiser Permanente badges, lanyards, and lab coats
Medical center experience

Welcome bags
CareClinic by Kaiser Permanente at Bartell Drugs

Welcome!
Thanks for signing up to receive emails from CareClinic, featuring health and wellness information from Kaiser Permanente. Starting today, you'll get wellness tips, local health news, healthy recipes, and more. It's part of our commitment to helping you and your family live healthy, happy lives.

5 Tips for Telling Colds and Seasonal Allergies Apart
Wandering whether your sore throat, sniffing, and sneezing are caused by seasonal allergies or a cold? There are ways to tell the difference, and ways to get relief.

Learn more about CareClinic:
- What we treat
- How you're covered
- Hours and locations

Email
Brochure
In-store signage
Changes for Members and Producers

Member website: kp.org/wa

Welcome to Kaiser Permanente

Need health insurance?
Open enrollment for 2017 individual and family health coverage has passed, but you can still get a plan if you have a qualifying life event. LEARN MORE.

New member?
Get started with these easy steps:
1. Register for our secure member website
2. Choose a doctor
3. Transfer prescriptions
4. Complete your Health Profile
GET STARTED

Need care now?
From online and phone consults to CareClinics right in your neighborhood, Kaiser Permanente offers many ways to get care quickly. FIND LOCATIONS

A BETTER WAY TO TAKE CARE OF BUSINESS
Producer website and news blog

Site: kp.org/wa/producer
Blog: kp.org/wa/pulse
Mobile app: iOS

Icon
Mobile app: iOS

Icon
ID cards and card carrier

Welcome to Kaiser Permanente

Here’s your new Kaiser Permanente card.

As a Kaiser Permanente member, you can continue to get coordinated care and coverage in the state of Washington. So even though the name on the card has changed from Group Health to Kaiser Permanente, you can still get care from the team you’re familiar with at the same locations.

Plus, you’re now part of a national health care system with facilities in eight states and the District of Columbia.

Kaiser Permanente delivers the care you know and trust.

• Your 2017 health plan premiums, benefits, and costs do not change.
• Your membership number does not change.
• You can keep your same care team at Kaiser Permanente medical offices, in the same locations.
• You can still call the Consulting Nurse Service for advice 24/7. (See the number on your card.)
• You can still manage your health online with your secure personal account.

Getting non-emergency care when you’re out of your coverage area

Your access to out-of-area care will not change. You can get covered care from providers in your network only, just as you always have.

Your network name is printed directly below your name on your ID card. To find providers in your network, check the Provider Directory at kp.org/wa. And visit kp.org/wa/travel to learn about finding care while travelling.
Health plan name changes

Large Group network formerly known as “Group Health” will be renamed “Core”
Page 8:
- NCQA’s Private Health Insurance Plan Ratings 2015–16, National Committee for Quality Assurance, 2015; Kaiser Foundation Health Plan of Colorado — HMO (rated 4.5 out of 5), Kaiser Foundation Health Plan of Georgia — HMO (rated 4.5 out of 5), Kaiser Foundation Health Plan — Hawaii — HMO (rated 4.5 out of 5), Kaiser Foundation Health Plan of the Mid-Atlantic States — HMO (rated 5 out of 5), Kaiser Foundation Health Plan of Northern California — HMO (rated 5 out of 5), Kaiser Foundation Health Plan of the Northwest — HMO (rated 4.5 out of 5), Kaiser Foundation Health Plan of Southern California — HMO (rated 4.5 out of 5).
- Kaiser Permanente 2015 HEDIS® scores. Benchmarks provided by the National Committee for Quality Assurance (NCQA) Quality Compass® and represent all lines of business. Kaiser Permanente combined region scores were provided by the Kaiser Permanente Department of Care and Service Quality. The source for data contained in this publication is Quality Compass 2015 and is used with the permission of NCQA. Quality Compass 2015 includes certain CAHPS® data. Any data display, analysis, interpretation, or conclusion based on these data is solely that of the authors, and NCQA specifically disclaims responsibility for any such display, analysis, interpretation, or conclusion. Quality Compass® and HEDIS® are registered trademarks of NCQA. CAHPS® is a registered trademark of the Agency for Healthcare Research and Quality.

Page 22:
- The source for this data is Quality Compass® 2010, 2015 Commercial data and is used with the permission of the Committee for Quality Assurance (NCQA). Quality Compass 2010-2015 includes certain CAHPS data. Any data display, analysis, interpretation, or conclusion based on these data is solely that of the authors, and NCQA specifically disclaims responsibility for any such display, analysis, interpretation, or conclusion. Quality Compass is a registered trademark of NCQA. CAHPS® is a registered trademark of the Agency for Healthcare Research and Quality (AHRQ). Bar graph values are approximate.
Page 29:

- **Washington Health Alliance**
  Based on more than 50 clinical measures of quality, including cancer screenings, immunizations, diabetes care, and more. Washington Health Alliance, 2016 Community Checkup, page 50. Scores listed under “Group Health Cooperative.”

- **eValue8**
  Earned under former name, Group Health Cooperative; 2016 eValue8 survey. Managed by the National Business Coalition on Health, eValue8 is an evidence-based resource created by business coalitions and employers like Marriott and General Motors to measure and evaluate health plan performance.

- **Medicare Star Ratings**
  Formerly Group Health Cooperative HMO. Centers for Medicare & Medicaid Services Health Plan Management System, Plan Ratings 2012-2017. Kaiser Permanente contract #H5050. Medicare evaluates plans based on a 5-star rating system. Star Ratings are calculated each year and may change from one year to the next.

- **National Committee for Quality Assurance (NCQA)**
  Kaiser Foundation Health Plan of Washington1 Medicare (HMO) was rated 4.5 out of 5 in the National Committee for Quality Assurance (NCQA) Medicare Health Insurance Plan rankings 2015-2016. The National Committee for Quality Assurance (NCQA) is a private, 501 (c)(3) not-for-profit organization dedicated to improving health care quality. It issues health insurance plan ratings and Quality Compass Health Plan Quality Measures for Commercial and Medicare plans each year. Ranking was not issued or endorsed by Medicare.
Page 33:

Page 34:
- Aon Hewitt Health Value Initiative™ benchmarking study — Kaiser Foundation Health Plan, Inc., Aon Hewitt, October 12, 2016. Results based on 2015 performance year. Plans with absent clinical quality scores are included when calculating the averages. To get a copy of the Aon Hewitt Health Value Initiative report for your region, contact your account manager.

Page 42:
- IBI, Integrated Benefit Institute, IBI 2015 CFO Survey, CFOs—Ready to Invest in Healthy Outcomes. https://ibiweb.org/?ACT=65&id=txXzdIgpsFVTvP9VW7-kanTr0ATrBiyR29sqaD2yTShKz0yi_sBY7RYS0sPtLYPLfnyhq0dZyT632TSRL5WFgw