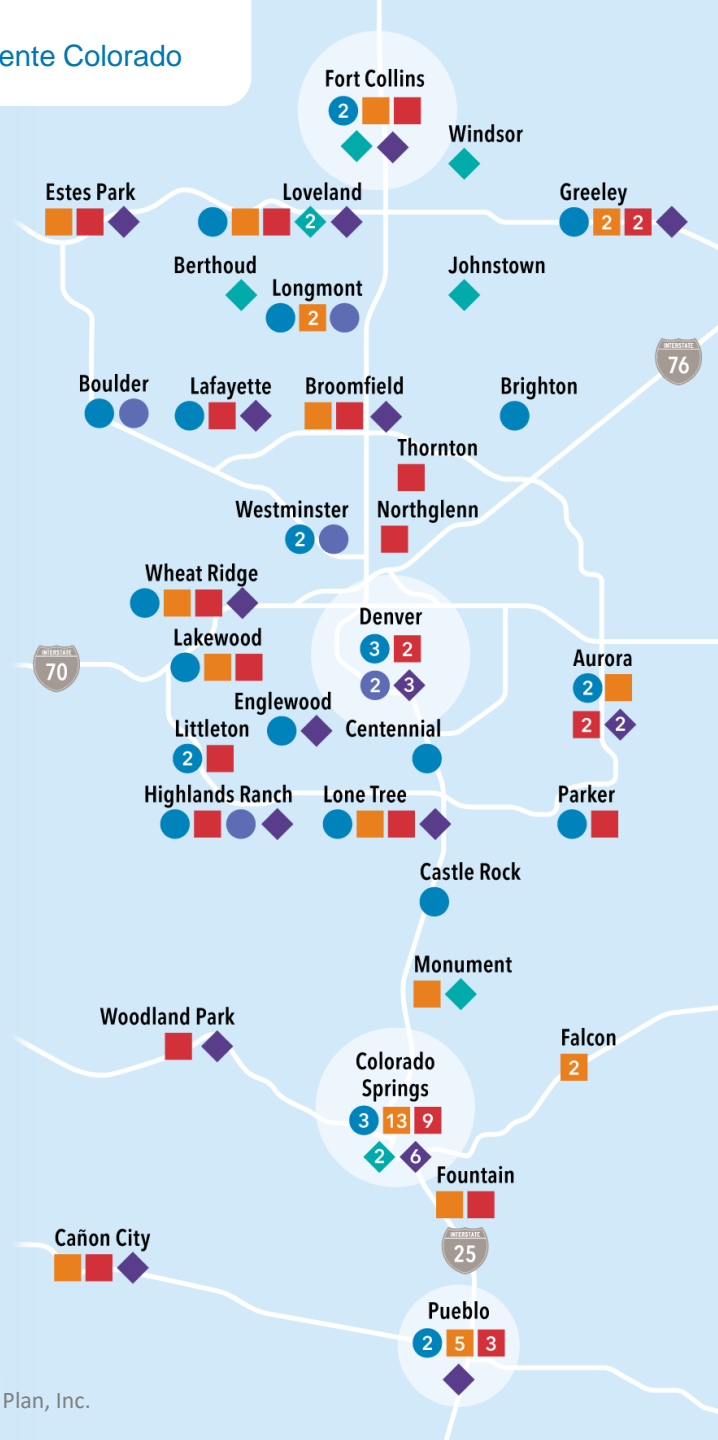


**A health solution  
delivering  
better care, value,  
and outcomes**

**CEBT Summer Conference 2023**

# Agenda

- ❖ **Kaiser Permanente Overview**
- ❖ **Healthcare Trends**
- ❖ **What's New at Kaiser Permanente**
- ❖ **Plan Performance**



# We're where your employees live, work, and play

<b>30</b> Kaiser Permanente medical offices	●
<b>35</b> Urgent care facilities	■
<b>35</b> Emergency care facilities	■
<b>6</b> Behavioral health offices	●
<b>9</b> Affiliated providers with extended hours	◆
<b>24</b> Affiliated hospital/in-patient care	◆

**Plus 12,300+**

Affiliated plan providers<sup>1</sup>



[kp.org/locations](https://kp.org/locations)

# National and local recognition for medical excellence, technology, customer service, ethics



**“Top Doctors” in 5280 Magazine**  
(84 in 2022!)



**Named one of the world’s most ethical companies<sup>3</sup>**



**No. 1 for customer loyalty<sup>1</sup>**



**Webby award for best mobile app<sup>4</sup>**



**Medical excellence by NCQA<sup>2</sup>**  
(Led the nation in 42 effectiveness-of-care measures)



**5 out of 5 stars by Medicare**

**Highest-Rated Health Plan in Colorado**



<sup>1</sup> 2021 NICE Satmetrix Net Promoter Benchmark in the Health Plan Category <sup>2</sup> NCQA is a third-party organization that receives both clinical quality information (HEDIS) and member survey (CAHPS) feedback to rate health plans nationwide. Relative to health plans in Colorado, Kaiser Permanente is the highest-rated commercial plan in 2021. <sup>3</sup> Ethisphere Institute, 2022. This is the 4<sup>th</sup> year in a row Kaiser Permanente has earned this recognition. <sup>4</sup> 2022 People’s Voice Webby Award for Health and Fitness Apps.

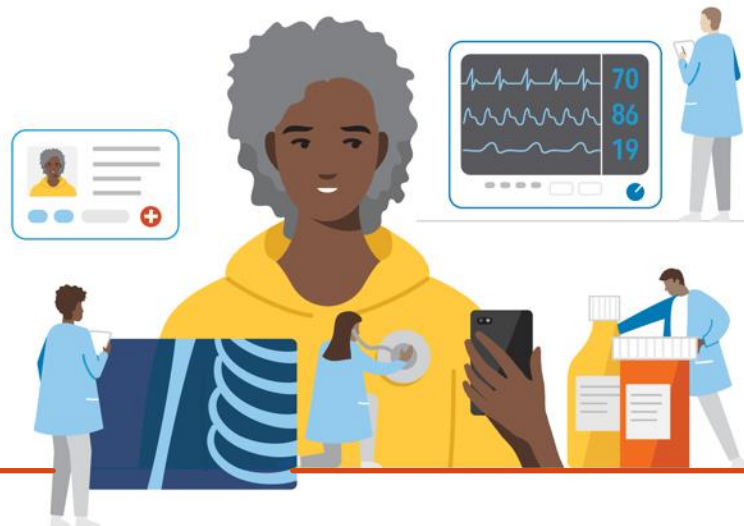
## For Members

# Advantages of clinical integration

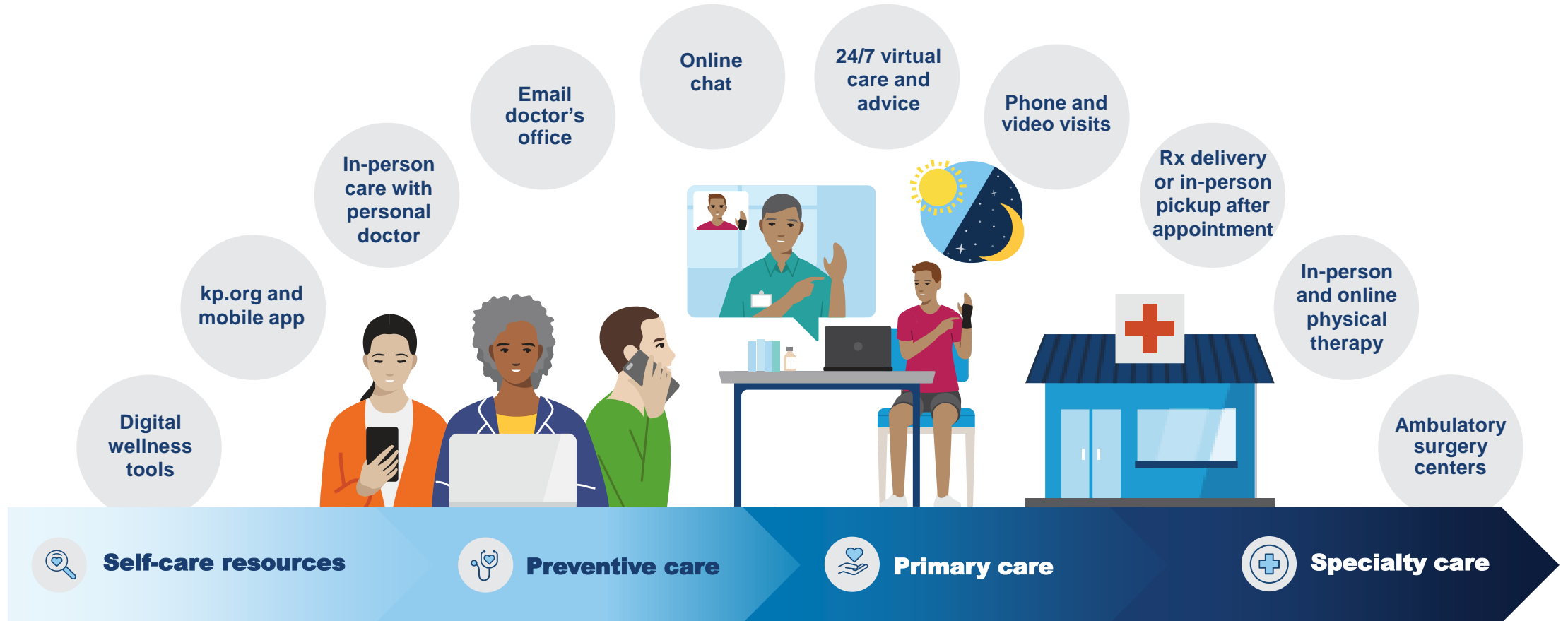
### Making healthy easier

- Chronic disease management through physician collaboration
- Evidence-based “best practices” through population health data in electronic health record (EHR)

- Reminders for tests, screenings, appointments
- Access to medical records through **kp.org**
- Less paperwork — no carrying around medical records or completing duplicate forms at every doctor’s visit
- Personalized care from doctors
- A system that is designed to make it easy for members to get the high-quality care they need to stay their healthiest



# A seamless experience — no matter how members choose to engage



# A better care experience through technology

## Our mobile app puts health care and coverage in the palm of members' hands.

Get reminders when it's time for health screenings and Rx refills.

Email their primary care doctor or specialist.

View their medical history, including immunizations, most lab results, and more.

Schedule appointments and check in.

Chat with a clinician online.

Fill or refill most prescriptions, choose to pick them up or have them delivered to their mailbox.

Call for 24/7 medical advice.

View and pay medical bills.

View their digital member ID card.



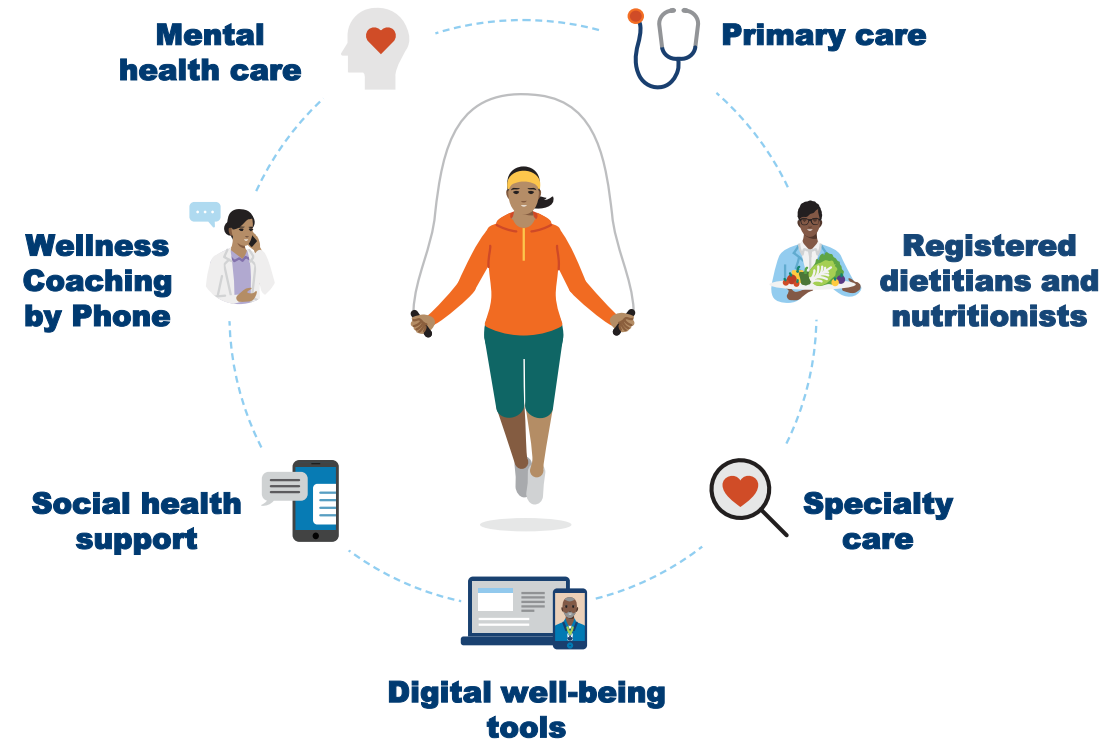
[kp.org/mobile](https://kp.org/mobile)

# An integrated approach to supporting healthy lifestyles

At Kaiser Permanente, we take a comprehensive approach to promoting healthy lifestyle behaviors. Our electronic health record system and integrated care model enable members to receive high-quality care based on their complete medical history, known risks and conditions, and prescriptions.

## With Kaiser Permanente, your employees get:

- ✓ Prevention
- ✓ Treatment
- ✓ Diagnosis
- ✓ Maintenance



## 360-degree care

Through a variety of solutions like counseling, nutrition education, exercise support, and digital tools to support health goals at home, your employees are encouraged to learn and build sustainable habits for a long, healthy life.

# When your employees travel, our coverage follows

**The last thing your employees want to worry about on business trips and family vacations is their health coverage. Now it's easier than ever for them to get care if something unexpected happens while they're away from home.**



## In the U.S.

**Within Kaiser Permanente service areas**, members can get routine, urgent, and emergency care at our facilities. Or get 24/7 care by phone or video.

**Members can also get emergency and urgent care anywhere they need it.**

At many locations outside Kaiser Permanente states (Cigna PPO Network\* providers, MinuteClinic® locations and pharmacies, and Concentra clinics), they'll just pay their usual cost share — no need to file a claim.



## Internationally

Members can get emergency and urgent care around the world.



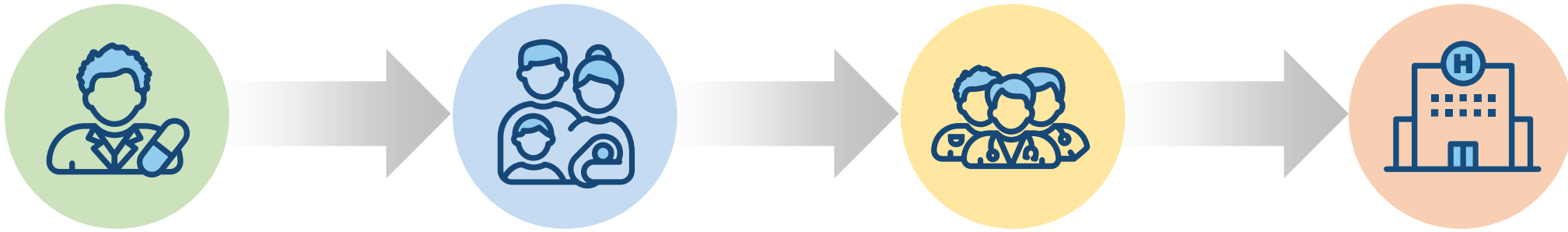
**Away from Home Travel Line:**  
**951-268-3900 (TTY 711)**  
24/7 support while traveling



**Kaiser Permanente app and [kp.org/travel](https://kp.org/travel)**  
Find locations, get answers to common care and coverage questions

\*The Cigna PPO Network refers to the health care providers (doctors, hospitals, specialists) contracted as part of the Cigna PPO for Shared Administration.

# Transitioning care



## Common Needs

- Choose a doctor
- Transfer prescriptions
- Transfer records and health history
- Schedule office visits

## Family Needs

- Choose a pediatrician or a family practice doctor
- Transfer prescriptions
- Transfer records and health history
- Schedule office visits and vaccinations
- Manage the health of a family member on [kp.org](https://www.kp.org)

## Specialty Care Needs

- Connect with specialists, such as neurologists, dermatologists, etc.
- Coordinate durable medical equipment needs
- Connect with the pharmacy for specialty prescriptions

## Complex Medical Needs

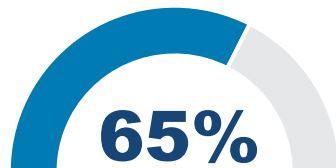
- Connect with specialty care for conditions, such as cancer, renal disease, pre-/post-surgery, and transplants
- Assist with prenatal and postnatal care and coordination

# Healthcare Trends

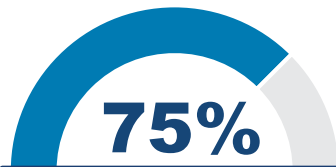
# Employers are struggling with new pressures and evolving workforce health demands

Despite uncertain economic conditions, employers are focused on improving health outcomes for their teams.

## Managing health care spending while ensuring access to high-quality care



Employers who say employee health is an integral part of their overall workforce strategy — up from just 27% in 2018.<sup>1</sup>



Employers who are eager to address workforce health inequities.<sup>2</sup>

## Protecting employees from burnout

**47 million**

Americans quit their jobs in 2021 — many due to burnout.<sup>3</sup>

**3 in 5**

workers are currently experiencing burnout.<sup>4</sup>

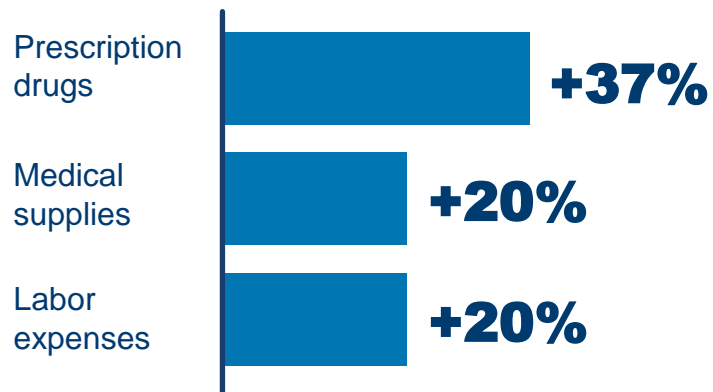


1. 2023 Large Employers' Health Care Strategy and Plan Design Survey, Business Group on Health, 2022. 2. See note 1. 3. Fuller et al., *Harvard Business Review*, March 23, 2022. 4. 2022-2023 Aflac WorkForces Report, 2022.

# Health care organizations face unprecedented challenges

A third of hospitals are operating in the red — and another third are barely breaking even.<sup>1</sup>

## Skyrocketing operational expenses<sup>2</sup>



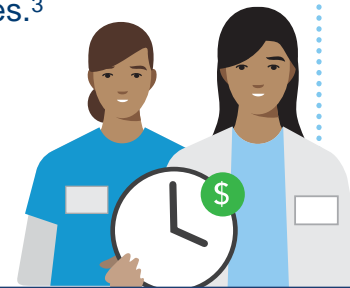
## Severe staffing shortages

**20%**

of health care workers have quit since the pandemic began — including 30% of all nurses.<sup>3</sup>

Hourly rates for contract nurses have shot up

**213%<sup>4</sup>**



## Historic demand for care

Many patients are coming in sicker due to delaying care during the pandemic.

Average length of a hospital stay is up by

**19%<sup>5</sup>**

This slide reflects industry averages, and there is regional variation. 1. Hughes, *Fierce Healthcare*, August 26, 2022. 2. See note 1. 3. Weldon, *Healthleaders*, March 16, 2022. 4. See note 1. 5. American Hospital Association, December 2022.

# Businesses brace for skyrocketing health care costs

Managing health care costs while keeping care affordable for employees is more challenging than ever.

## Employers can no longer expect predictable 4%–5% annual increases in health care spend

"Inflation is putting substantial pressure on U.S. healthcare costs — they could be \$370 billion higher in 2027 relative to pre-COVID-19 projections."

— McKinsey & Co.<sup>1</sup>

## Growing concerns over keeping health care affordable for employees

### 2 in 5

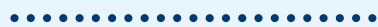
employees have already skipped or delayed medical care due to cost.<sup>2</sup>



1. Gupta et al., McKinsey & Company, October 20, 2022. 2. Brenan, *Gallup News*, January 17, 2023.

# Kaiser Permanente is uniquely positioned to address employers' top challenges

Choose a plan that helps solve your most pressing workforce health issues — and reflects what quality health care means to your organization in 2024.



## Improving access

Hassle-free health care that's easy for your employees to engage with whenever, wherever, and however they choose.

## Driving cost efficiency

Prioritizing prevention and chronic condition management while minimizing inefficiencies.

## Addressing mental health

Proven tools and unique support to help your employees combat stress and burnout.

## Advancing equity

A foundational focus on equity and closing care gaps, so your employees and their families can thrive.

# Kaiser Permanente Large Group Average Increase, Trends and Capping

Average commercial rate increase	2022	2023	2024
	3.0% to 5.0%	4.0% to 6.0%	9.0%

Rating trends	Medical*	Rx*
	7.2%	8.6%

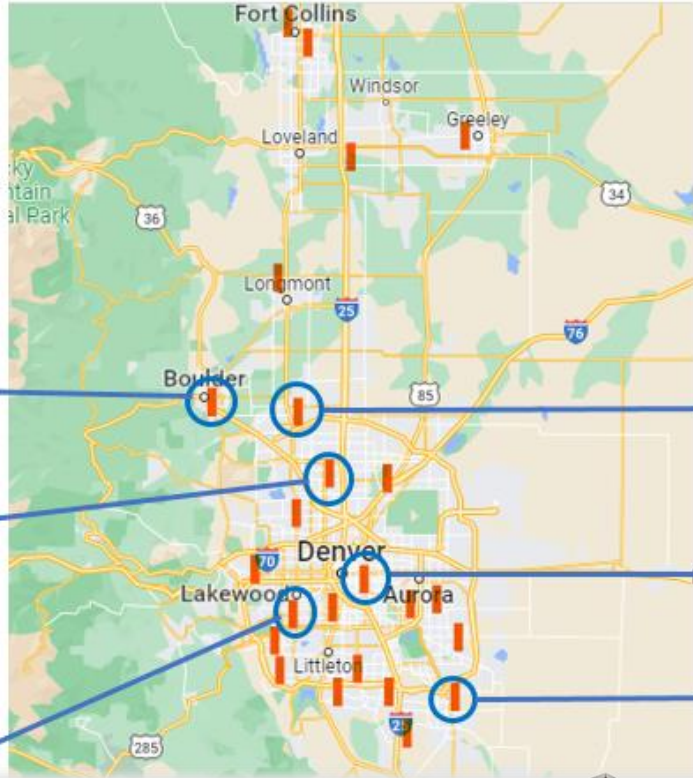
Rate stability capping	Floor	Cap
	0.00%	25.0%

\*The trends shown are initial rate setting trends.



# **What's New at Kaiser Permanente**

# Investing in our Future: New Facilities & Next Gen Refresh



Renovation of Baseline Medical Office (underway)

Renovation of Westminster Medical Office (in design)

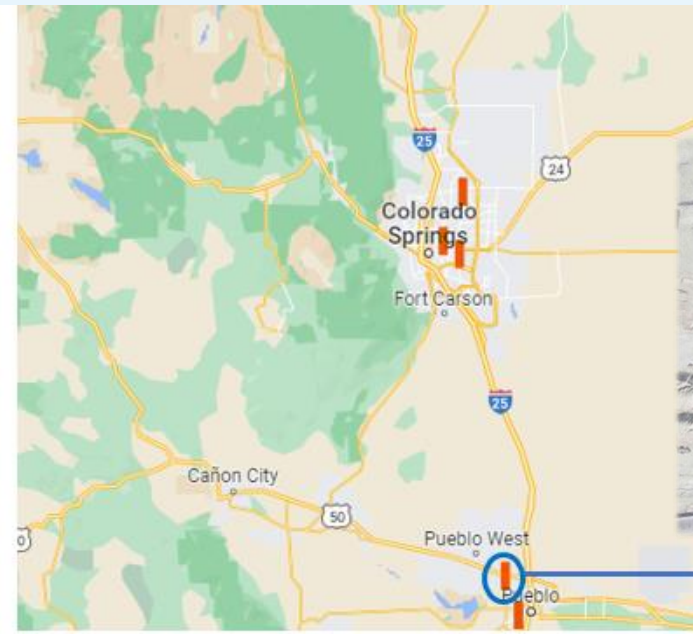
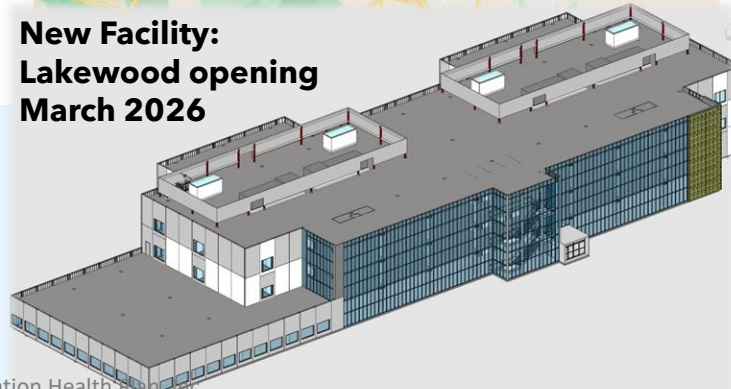
Lakewood Medical Office – new build (in design)

Renovation of Rock Creek Specialty Care Medical Office (underway)

Renovation of Skyline Medical Office (project completed 2022)

Parker Medical Office – new build (design complete)

**New Facility: Lakewood opening March 2026**



**New Facility: Pueblo opening July 2025**



Pueblo North Medical Office – new build (in design)

**New Facility: Parker opening April 2025**





# What's new and reminders

- Newly Contracted Urgent Care centers

<b>Concentra Urgent Care</b> <b>500 E. 84th Ave., Suite B-14</b> <b>Thornton, CO 80229</b>	<b>Concentra Urgent Care</b> <b>550 E. Thornton Pkwy, Suite 110</b> <b>Thornton, CO 80229</b>	<b>Concentra Urgent Care</b> <b>3300 N. 28th St.</b> <b>Boulder, CO 80301</b>
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- New kp.org Content Center Offers Guidance and [Resources for Members Who Have Lost a Loved One](#)
- Effective March 1, 2023, Beacon Health Options changed its name to Carelon Behavioral Health. Phone numbers to reach Beacon Health will not change
- Risant Health is a new nonprofit organization, created by Kaiser Foundation Hospitals.
- Every Day Care Plan

## Discussion Items:

### Glucagon-like peptide-1 (GLP-1) agonists Drugs:

- Are a class of medications utilized in the treatment of type 2 diabetes and obesity.
- GLP-1 medications are only covered for diabetes when prescribed by a provider at Kaiser Permanente.
  - Ozempic is a GLP-1 drug
- Weight Loss Medication Rider is available
  - Qsymia, Contrave, Saxenda, and Wegovy, primary weight loss drugs on the rider
  - Member must meet medical criteria, eg obese, comorbidity's
  - Must be prescribed by an endocrinologist or board-certified obesity medicine specialist
  - Some Step Therapy
- Ozempic and Wegovy are non formulary and require Health plan approval

### Gene Therapy / Hemophilia

- Genetic Testing and Gene Therapy are excluded from coverage unless determined to be medically necessary and member meets Utilization Management Program Criteria.
- Gene therapies such as Hemgenix and Roctavian are covered, however they are new and we have not treated anyone with them as of yet.
- Hemophilia care for members is primarily provided at the University of Colorado Hemophilia Center.

# Appendix: Plan Performance

# Historic Renewals and Risk Sharing Settlements

## Renewal Increase History

	7/1/2016	7/1/2017	7/1/2018	7/1/2019	7/1/2020	7/1/2021	7/1/2022	7/1/2023	Average
CEBT	-5.0%	2.4%	6.0%	0.0%	9.0%	4.1%	0.0%	2.0%	2.3%
Kaiser	5.1%	2.9%	4.6%	4.5%	6.0%	4.0%	4.0%	5.8%	4.6%

## RSA

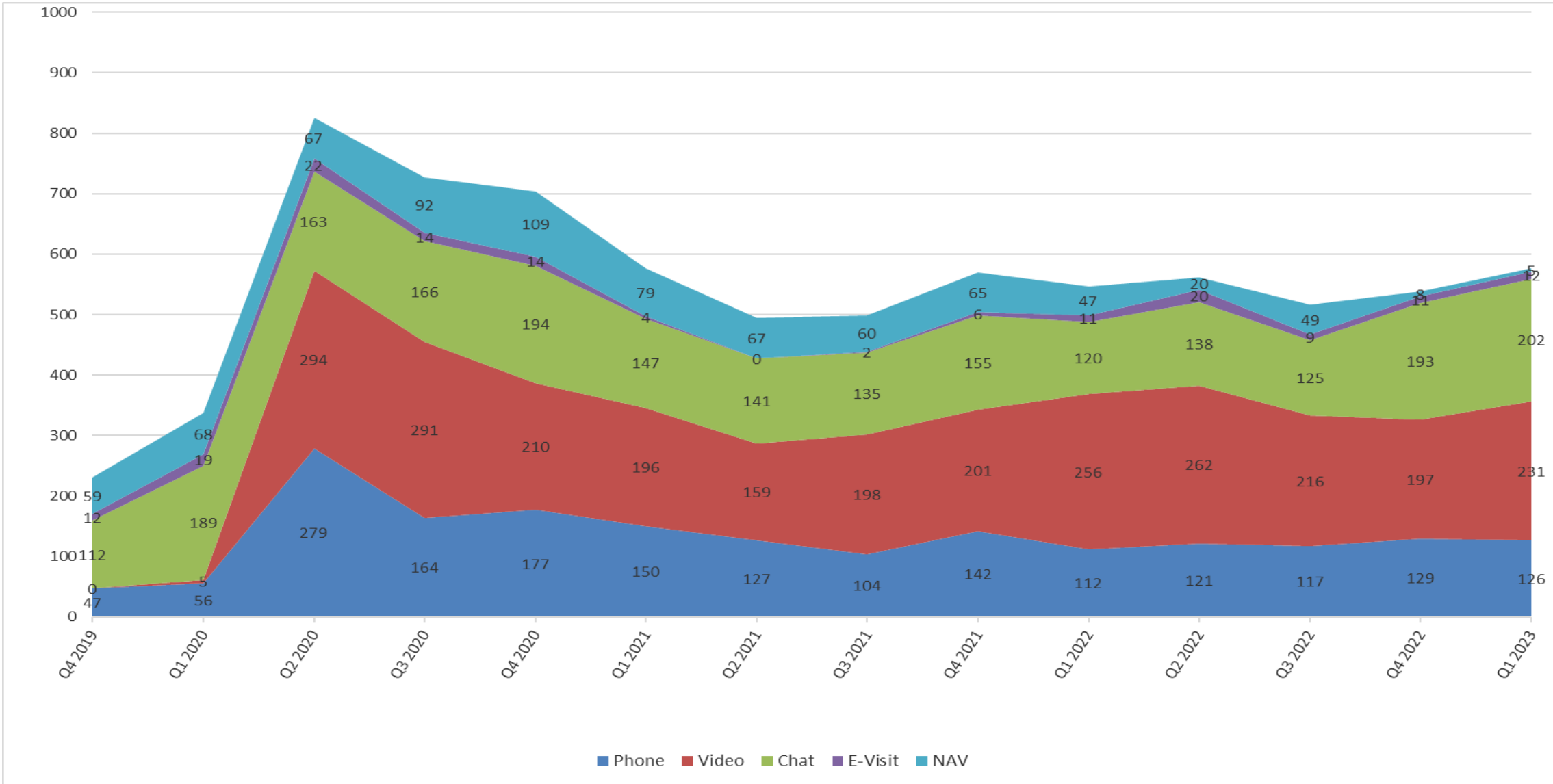
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020 - 2021	2021 - 2022	Total
CEBT	\$275,503	\$453,604	-\$51,358	\$1,081,225	-\$656,605	\$1,269,286	\$2,340,232	\$1,540,273	\$6,252,160
Corridor	7.5/-7.5	7.5/-7.5	10/-10	15/-15	15/-15	15/-15	15/-15	15/-15	

- RSA Risk Corridor for 2022 – 2023 Policy year is 20% / -20% and \$750K Pooling
- 2022 - 2023 RSA Settlement **estimated** to be \$350,000

# Plan Experience and Demographics





Time Period	Premium	Claims	Paid Loss Ratio	Average Monthly Subscribers	Average Monthly Members	Avg Contract Size	Average Age
Apr 15 - Mar 16	\$5,376,734	\$3,049,817	56.7%	653	1,075	1.65	35.5
Apr 16 - Mar 17	\$7,140,691	\$6,252,204	87.6%	884	1,475	1.67	35.4
Apr 17 - Mar 18	\$10,470,203	\$8,442,217	80.6%	1,285	2,119	1.65	34.9
Apr 18 - Mar 19	\$12,734,125	\$10,611,437	83.3%	1,449	2,437	1.68	34.4
Apr 19 - Mar 20	\$14,126,561	\$12,982,809	91.9%	1,568	2,660	1.70	34.2
Apr 20 - Mar 21	\$15,375,149	\$10,428,783	67.8%	1,612	2,694	1.67	34.5
Apr 21 - Mar 22	\$15,885,648	\$12,684,331	79.8%	1,571	2,673	1.70	34.5
Apr 22 - Mar 23	\$15,863,865	\$12,922,991	81.5%	1,509	2,673	1.77	34.5

# CEBT Telehealth - Quarterly

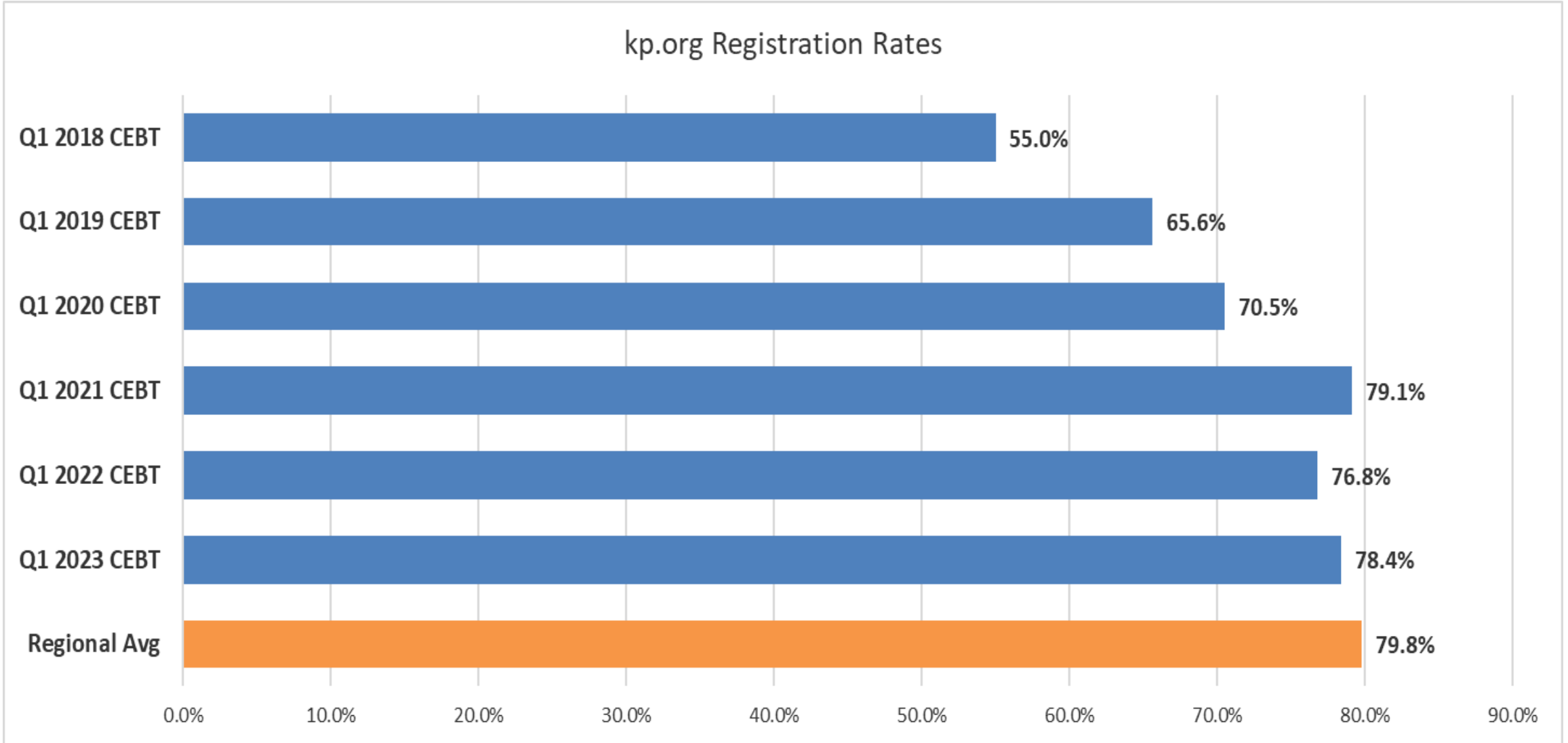


# Engagement Overview

## Population Health Trends

	CEBT	KPCO	
 <p>Getting Connected (kp.org)</p>	76%	78%	<ul style="list-style-type: none"> <li>Members that register on kp.org take full advantage of our digital care options to stay healthy without disrupting their work days.</li> <li>Q4 2022 had an increase of 64% using online prescription refill orders</li> </ul>
 <p>Knowing your numbers</p>	60%	73%	<ul style="list-style-type: none"> <li>Members up to date with biometric screenings (BMI, BP, exercise).</li> </ul>
 <p>Staying up to date</p>	74%	76%	<ul style="list-style-type: none"> <li>Members up to date with preventive screenings (cancer screenings, flu shots, cholesterol, glucose).</li> </ul>
 <p>Seeking Care</p>	83%	78%	<ul style="list-style-type: none"> <li>Members engaging: Outpatient visits, nurse advice, secure messaging, filling prescriptions.</li> </ul>

# CEBT kp.org Engagement Metrics



# CEBT kp.org Engagement Metrics

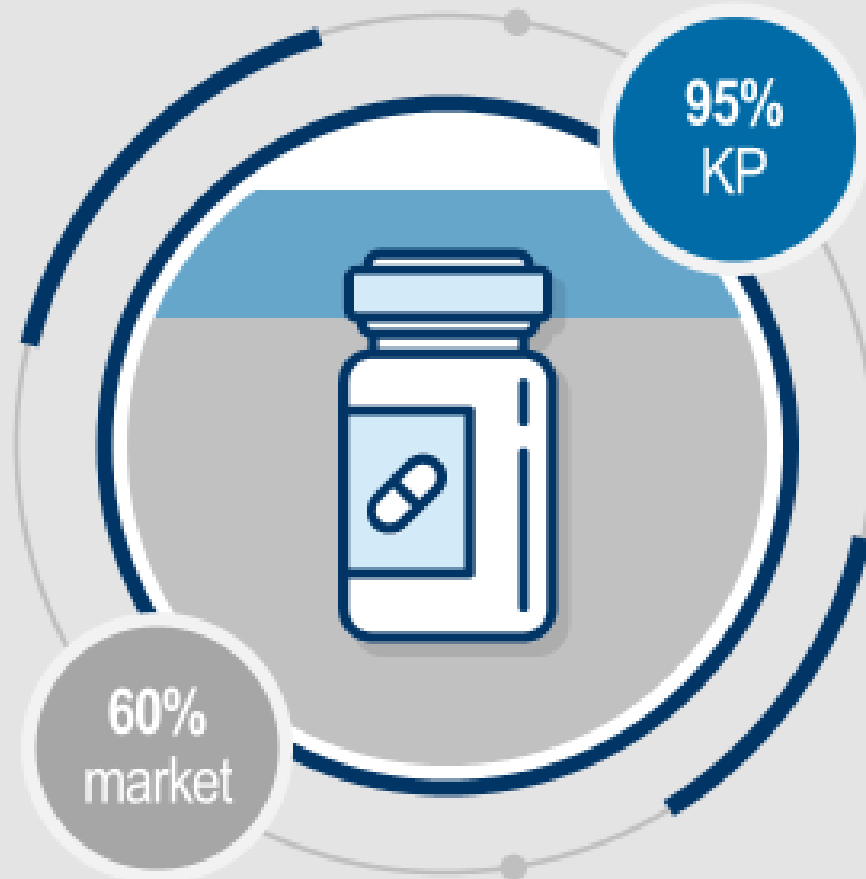
Measure	Q1 2018	Q1 2019	Q1 2020	Q1 2021	Q1 2022	Q1 2023	Change
Online prescription refill orders	1,813	2,460	3,528	2,837	2,533	3,158	24.7%
Total prescription refills	3,024	3,476	6,244	8,184	8,160	8,623	5.7%
Unique members ordering prescriptions	396	543	722	698	569	835	46.7%
Online prescription orders sent via U.S. mail	1,047	1,475	2,045	1,872	1,487	1,425	-4.2%
Lab tests results viewed online	3,133	3,537	3,540	5,023	9,175	9,150	-0.3%
Unique members viewing lab results	472	568	650	940	1132	1268	12.0%
Email messages sent to health care providers	1,526	1,905	2,522	3,256	3,245	3,265	0.6%
Unique members sending email messages	336	401	520	646	602	720	19.6%



**94%**

generic drug  
utilization

## Adoption of cancer biosimilars



# Preliminary Plan Design Changes 07/01/2024

- Mental Health and Substance Use Disorder Intensive Outpatient (IOP) and Partial Hospitalization (PH) cost share on the DHMO plans will be changing from 20% to no cost share.
  - There is no rate impact for this benefit enhancement
- HRSA Women and Pediatric Preventive Service Guidelines – The following changes apply:
  - Cover screening for pregnant women with risk factor of type 2 diabetes and gestational diabetes before 24 weeks of gestation at no cost share.
  - Cover diabetes screening after pregnancy at no cost share.
  - Increasing the upper age limit for adolescent universal HIV screening to 21 years with no cost share.