The Permanente Federation
Annual Report 2019
In 2019, the Permanente Medical Groups strengthened their position as leaders in health, health care, and physician wellness in America. We moved forward with a unified vision to optimize care delivery and advanced our unique brand of Permanente Medicine — medicine that is person- and family-centered, compassionate, evidence-based, technology-enabled, culturally responsive, team-delivered, and physician-led.

Powered by Permanente Medicine, the Permanente Medical Groups broke new ground: We navigated complex challenges, achieved historic milestones, and told our story nationally in new and compelling ways across multiple channels. Our more than 23,000 Permanente physicians and 80,000 clinicians and administrative staff delivered world-class care to 12.2 million Kaiser Permanente members and patients.

As part of our continuous efforts to enhance the quality of care we deliver to our patients, we strengthened our leadership in preventive screenings: We performed more than 1 million mammograms, ranking among the top 5% of health plans in the nation, and our care teams completed more than 2 million colorectal cancer screenings. We actively treated and monitored more than 500,000 cancer patients in 2019.

2019 fast facts*

23,371 Physicians

12.2M Members served

9 Locations (8 states and D.C.)

39 Hospitals

712 Medical offices and other care facilities

*Full audited financials may be requested from The Permanente Federation’s Office of the Chief Financial Officer. Please email Helena Simmons at helena.m.simmons@kp.org or call 510-410-2712.
On the innovation front, we developed a new informatics strategy to support precision medicine and genomics, and we completed an assessment of available clinical decision-support resources. We also reaped the benefits of a Telehealth 2.0 strategy, which is focused on improving our ability to provide members with easy, convenient, and integrated care using telehealth tools.

Additionally, we reached a major milestone when quality leaders from all 8 Permanente Medical Groups assembled at the Permanente Mental Health and Wellness Summit to develop a unified strategy for mental health and addiction care. They aligned around 6 key capabilities across all regions: collaborative care, feedback-informed care, acute and chronic care, rapid telephonic assessment, digital therapeutics, and addressing hazardous alcohol use in primary care.

Kaiser Permanente continued to receive national recognition as a quality leader in health care. For example, we ranked highest in the National Committee for Quality Assurance (NCQA) Healthcare Effectiveness Data and Information Set (HEDIS) measures for cervical cancer screenings in all the areas we serve. Additionally, NCQA gave 5 Kaiser Permanente health plans its maximum 5.0 rating—a distinction only given to 11 health plans out of more than 1,000 nationwide. We continued our success with the Centers for Medicare & Medicaid Services annual star ratings, receiving the highest or tied-for-the-highest Kaiser ratings in every region we serve. Kaiser Permanente was also the only health care organization in California to receive 5 stars—the highest possible score—for overall quality, from Covered California.

In 2019, Kaiser Permanente evaluated, strategized, and planned for the optimal use of 14 new and pipeline specialty drugs and pharmaceutical technologies through its Emerging Therapeutics Program. Additionally, the Ophthalmology Inter-Regional Clinical Practice Group adopted an initiative that aimed to increase the number of same-day cataract surgeries while reducing the number of pre- and post-operative visits for patients. The Kaiser Permanente National Total Joint Replacement Initiative was also implemented in 2019, driving continuous high performance and improvements in patient and physician experience, quality, and affordability of orthopedic care across our medical groups.

We remained committed to keeping equity at the core of practicing Permanente Medicine among our physicians, and for future generations. Our Permanente Equity, Inclusion, and Diversity workgroup consulted on admissions criteria for the Kaiser Permanente School of Medicine, and our Permanente physician health and wellness leaders shined at the American Conference on Physician Health, where they submitted 37 abstracts, presented 11 posters, and delivered 8 presentations.

Additionally, we saw the influence of Permanente Medicine extend beyond the geographical areas we serve to the northeastern United States: Boston-based Atrius Health with its 715 physicians and primary care providers—became an allied member of The Permanente Federation. For the first time ever, our 8 executive medical directors traveled together to Washington, D.C., for a historic Federation government relations and policy summit, which provided an opportunity to educate Capitol Hill policymakers about Permanente Medicine and Kaiser Permanente’s unique integrated care-delivery system. In face-to-face meetings with major political influencers, key administration officials, and members of Congress, our physician leaders had a seat at the table to discuss important issues facing our nation, such as telehealth, prescription drug pricing, opioid safety, and physician burnout.

Likewise, we shared the power of Permanente Medicine with the national media in new and exciting ways. For the first time, we had a presence at the South by Southwest annual conference in Austin, Texas, where our “Health Care’s Digital Disrupters” panelists discussed the latest technologies and their potential to improve quality of care, lower costs, and humanize health care. During the tragic California wildfires, Permanente Medicine was featured in a New York Times op-ed piece on the natural disaster and its effects on health care. These tremendous achievements are indicative of our growing presence and media impact across the country. More than ever before, our physician leaders are building their public profile in the national spotlight.

Within our own family, we stood in partnership with our Kaiser Foundation Health Plan and Hospitals colleagues in honoring Bernard J. Tyson after his unexpected passing. Together, we committed, hand in hand, to carry on his legacy of making health care more accessible for everyone.

It’s the steadfast work of our Permanente physicians, clinical care teams, and health plan and hospitals partners that lets us achieve and sustain this level of medical excellence in service of those who depend on our mission and work. We are grateful for the passion you demonstrate every day in delivering world-class care that embraces the latest research and innovations; your efforts continue to strengthen our voice and impact across the nation. With your dedication, and through our shared mission to improve the health of our patients and communities, we know that Permanente Medicine and Kaiser Permanente will continue to serve as models for medical excellence and innovation for the nation.
Federation highlights

Care Delivery IT
Care Delivery Information Technology leadership executed on 55 projects funded by the Care Delivery Portfolio Approval Council (CD PAC) in 2019, and we led the prioritization of 86 CD PAC projects for 2020. We developed our first-ever care delivery digital strategy to better align member-facing online services with telehealth care. With an eye on the future, we also put together a succession plan and recruited for the chair and vice chair of the National Product Council.

Care Management Institute
The Care Management Institute (CMI) redesigned how we seek to answer challenging clinical questions on behalf of the populations we serve. We refined our core competencies to effectively align evidence services, guideline development, and subject matter expertise with health researchers and care teams, allowing us to rapidly innovate on evidence-based, person-centered approaches to care that can be implemented by our Permanente Medical Groups and regional colleagues.

Working closely with our partners, CMI made great strides in building out a robust model for specialty palliative care as a core component of the Dignified Journeys framework. We led the redesign and repurposing of Kaiser Permanente’s Clinical Library, adding new search and personalization features to share evidence-based approaches across the entire system of care. Designed to support critical decision-making, these features have simplified and improved the way Permanente physicians research conditions and recommend treatments.

Clinical Quality
In 2019, we affirmed a set of strategic pillars around which the Clinical Quality department is organized: clinical knowledge services, performance metrics and analysis, and best practice development and safety. We created and began recruiting for a new role, which was filled by Nancy Taylor — vice president of Quality and Administration — to partner with Scott Young, MD, to lead Quality department strategy and oversight.

In addition to coordinating efforts across 27 different interregional clinical practice groups, we led and organized national strategies for Permanente Medical Group precision medicine and genomics, cancer, and mental health and wellness. Additionally, we facilitated the spread of the Surgical Home Recovery program to support same-day surgeries for total joint replacement procedures across all 8 regions. We also drove alignment of clinical education resources to support women’s health issues in human papillomavirus and long-acting reversible contraception.

Another milestone was the creation and oversight of the National Situation Management Team, which actively facilitated recall and safety alert efforts.

External Affairs, Communications, and Brand
In 2019, we secured 28 high-profile media placements featuring or authored by physicians, including a New York Times op-ed by Stephen Parodi, MD, associate executive director at The Permanente Medical Group.

To raise the profile of Permanente Medicine, we implemented a pilot app program and onboarded nearly 100 physician social media ambassadors on the Amplify platform. We supported the creation of the Internal Engagement Committee to promote culture-building events and activities at the Federation.

In partnership with Chris Grant, the Federation’s chief operating officer, we developed an internal and external platform that includes a quarterly CEO column, thematic all-hands events, social media expansion, and the Permanente Medicine podcast.

On the Permanente Medicine brand front, we completed photo shoots with 7 Permanente Medical Groups, kicked off a redesign of Permanente Medical Group recruitment websites, and completed a digital assessment. We launched a new Permanente brand center for service requests while providing brand training to Permanente Medical Group communicators and designers.

Finance and Labor
We continued our work of ensuring the integrity and completeness of diagnostic data by minimizing variation in how diagnoses are reported. We organized an interregional, cross-functional workgroup that established roles and responsibilities for risk adjustment reporting, auditing, monitoring, coding, and final submissions among the Revenue Cycle office, PMGs, Federation, and Kaiser Permanente national compliance office. At the request of the EMDs, we developed and published 4 risk adjustment toolkits for data mining, outreach, monitoring, and refresh.

The Permanente Medical Group chief financial officers collaborated and shared information and best practices regarding Medicare transformation, product design, claims and referrals, insurance, the School of Medicine, and services across the PMGs.

On the labor front, we worked closely with Health Plan leadership to reach an agreement with the Coalition of Kaiser Permanente Unions and continued to support a recently reconfigured Labor Management Partnership, particularly the unit-based teams.

Government Relations and Public Policy
For the first time in Permanente history, the Permanente Medical Group executive medical directors gathered in Washington, D.C., to meet with media, policymakers, and elected officials.

We secured and supported national opportunities for several physician leaders who lent their expertise to policymaking bodies and at high-profile events. Nancy Gin, MD, the Federation’s chief quality officer, participated in the Quality Summit hosted by the U.S. Department of Health and Human Services, while Edward Lee, MD, our chief information officer, spoke about the benefits of electronic health records during a panel organized by the Cato Institute.

The Federation forged a relationship with the American Medication Association that resulted in an exclusive invitation for the Permanente Medical Groups to join the premier physician advocacy and trade organization. This partnership will allow us to further advance Permanente Medicine and promote coordinated care.

People and Leadership Strategy
The 8 workgroups of the Permanente People and Leadership Strategy Council advanced work in key areas including: equity, inclusion, and diversity; physician health and wellness; leadership development; clinician-patient communication;
Permanente history; and people engagement.

Our Permanente Equity, Inclusion, and Diversity workgroup served as advisory members in the development of admissions criteria for the Kaiser Permanente School of Medicine. At the American Conference on Physician Health, Permanente physician health and wellness leaders were conference standouts, submitting 37 abstracts, presenting 11 posters, and delivering 8 presentations.

Permanente People Leaders collaborated with Kaiser Foundation Health Plan and Hospitals and Harvard Business School to launch a newly designed Kaiser Permanente Executive Leadership Program. In addition, the Permanente Clinician-Patient Communication Center of Excellence provided medical group Faculty Skills intensives and cross-Permanente faculty exchanges and mentoring, and established Mid-Atlantic Permanente Medical Group’s clinician-patient Communication Skills Intensive program.

Permanente historians served on the Smithsonian Institution’s advisory committee, The Medicine Cabinet, for its planned “In Sickness and in Health” exhibit, scheduled to open in 2021.

Permanente Advantage, LLC

With the addition of the Georgia region in January 2019, Permanente Advantage, LLC now provides utilization, case management, and other care management services to a diverse set of Kaiser Permanente users. With the guidance of 2 physician leads, we obtained funding from the CD PAC to develop an informatics strategy to support precision medicine and genomics in 2020.

Our team used the Care Management Institute’s Evidence Services to assess the evidence base underlying 3 clinical conditions that the Centers for Disease Control and Prevention has determined hold the most potential to improve morbidity and mortality through early detection and interventions (CDC-3): hereditary breast and ovarian cancer; Lynch syndrome, the most common type of colorectal cancer; and familial hypercholesterolemia, a genetic disorder causing high LDL cholesterol.

This assessment helped us to understand Kaiser Permanente’s current status for addressing the CDC-3 conditions, to make clinical recommendations when appropriate through Kaiser Permanente’s National Guideline Program, and to outline key issues for further consideration when a clinical recommendation for all of Kaiser Permanente may be premature.

Products, Sales, and Marketing

Our group developed 3 clinical proof-of-value presentation decks for brokers and employers in the areas of maternity care, diabetes, and mental health and wellness, and we made strides in putting together a presentation for cardiovascular care.

We evaluated the performance of the Georgia Region’s Dual Choice PPO product and supported the initiation of due diligence in the Northwest and Colorado regions. In addition, National Physician Market Leaders attended 200 meetings with national account employers and brokers in 2019.

Strategy and Corporate Development

We developed multiple thought pieces to spark discussion among the executive medical directors. For example, the acute-care-ecosystem vision document was designed to advance leadership’s thinking about the future of hospital care.

As part of continued efforts to examine and refresh our growth strategy, we welcomed Atrius Health as an allied member of the Federation. We supported several Permanente Medical Groups in care delivery optimization, including understanding how to enhance modules for the clinical management of external providers.

We assisted the Kaiser Permanente Inter-Regional Project Management Office for Medicare in developing a framework for care delivery initiatives that is comprised of procedures, patient segmentation, pharmacy, procurement, palliative care, and timely care.

Ventures

We raised our newest pool of capital, KPV Fund V, representing $141 million in total capital. This includes commitments from the Permanente Medical Groups, Kaiser Foundation Health Plan and Hospitals, and 3 outside investors: Henry Ford Health, Highmark Health, and Tufts HealthPlan.

The team made new investments in 5 companies: an AI-based cancer diagnostics company (Freenome), a medical device company focused on women’s health (Gynesonics), an enterprise asset management software company (Nuvolo), a business tackling opioid addiction (Groups Recover Together), and a software platform to improve health care affordability (NextHealth Technologies). Key exit developments during the year included a successful IPO for Health Catalyst, an analytics company, and the sale of DSI, Inc., a dialysis services business.

In addition to investing activities, the program expanded its strategic work, facilitating engagement between KP leaders and innovative companies. We also launched the KP Ventures Impact Fund, a mechanism for donating a small portion of our financial gains to support local, high-impact nonprofit organizations.
In 2019, we celebrated our 50th anniversary serving Coloradans alongside our Kaiser Foundation Health Plan partners. We worked to transform our culture, operations, and strategy, recognizing that we must innovate in order to be the future of health care in Colorado.

We implemented significant changes in our primary care operating model to empower physicians and staff to work to the best of their abilities, and to increase convenience by extending hours and offering more access to same-day care. Our specialty care physicians promoted affordability and our commitment to high-quality care by performing 99.5% of medically appropriate surgeries (e.g., surgeries that fall within established risk and compliance requirements) at Kaiser Permanente ambulatory surgery centers. Across our organization, we operated our business with renewed vigor and pursued continuous improvements in resource stewardship and utilization management.

Our region regained its Medicare 5-star rating — the highest possible from the Centers for Medicare & Medicaid Services (CMS) — and a record 82 Permanente physicians were honored on 5280 Magazine’s annual “Top Doctors” list.

In 2019, our medical group piloted point-of-care ultrasound — portable ultrasonography that’s used in clinic visits to enhance access. Our physicians also performed Hawaii’s first intrauterine transfusion for alpha thalassemia major, a potentially fatal blood disorder that causes severe anemia.

To further improve community health, we launched a new charitable fund with the Hawaii Community Foundation and expanded partnership initiatives to improve health disparities for Native Hawaiians in 5 areas of focus for health equity. Our commitment to medical education also widened with Kaiser Permanente Hawaii funding 5 scholarships for the John A. Burns School of Medicine at the University of Hawaii.

Our physician wellness SELF CARE model (Sleep, Exercise, Love and Laughter, Food, Compassion, Awe, Resilience, and Engagement) broadened its reach with 6 posters presented at the 2019 American Conference on Physician Health in Charlotte, North Carolina. Additionally, we were invited to share SELF CARE insights with Hawaii Governor David Ige’s cabinet.

Our government relations team also influenced Hawaii legislation that improved supervision requirements for physician assistants and consulted on bills addressing mental health and medical aid in death.
Innovation by our Radiology Department significantly reduced the anxiety of waiting for mammogram results. Since our instant mammogram service began in 2019, more than 90% of patients received results within 30 minutes. Additionally, women who had a suspicious finding in their screening mammogram were able to receive definitive pathology results in less than 48 hours.

We provided more than 62,000 video visits in 2019 and began scaling virtual capabilities across specialties.

Our surgeons are embracing minimally invasive outpatient surgeries for many procedures, including total joint, hernias, and hysterectomies. Of the 643 hysterectomies performed in 2019, 88% were minimally invasive.

Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., was rated a 5 out of 5 in the Private Health Insurance Plan Ratings from the NCQA. No other system in the nation earned this rating over the past 2 years.

As a certified B Corporation committed to delivering social, economic, and environmental benefits, our performance in 2019 again placed us in the top 10% of more than 5,200 B Corps worldwide, garnering 3 “Best for the World” awards that recognize top-performing organizations creating the greatest impact through their businesses.

Among many bright spots across care delivery, we proudly celebrated the 10th anniversary of our cardiac program, which, along with our thoracic program, again received the highest 3-star score from the Society of Thoracic Surgeons.

We continued to help address social determinants of health in the nation, becoming the first region to implement Thrive Local, Kaiser Permanente’s initiative designed to close the gaps on the unmet social needs of our members. We also became one of the first medical groups in the world to launch a climate action plan and commit to becoming carbon neutral by 2025, recognizing the critical links between climate and health.
In 2019, we retained the CMS 5-star rating for our Medicare plan and achieved 5 stars on all HEDIS measures (except for readmissions). We also expanded our patient advisory councils to hear more voices about how we develop and deliver care.

Additionally, we enrolled 2,362 patients in our innovative home-based cardiac rehabilitation program, with an 87% completion rate. We have also continued to address the diabetes epidemic by improving the percentage of patients who are successfully managing their blood sugar levels according to the A1C blood test for type 2 diabetes and prediabetes.

We continued to advance our telemedicine and virtual care offerings with the Virtual Medical Center and added 9 new locations to our Target Clinic program, bringing high-quality care to Target stores throughout Southern California.

We also earned the American Medical Association’s Joy in Medicine Recognition Program award, achieving industrywide accolades for our physician wellness efforts.

SOUTHERN CALIFORNIA PERMANENTE MEDICAL GROUP

In 2019, we retained the CMS 5-star rating for our Medicare plan and achieved 5 stars on all HEDIS measures (except for readmissions). We also expanded our patient advisory councils to hear more voices about how we develop and deliver care.

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We continued to advance our telemedicine and virtual care offerings with the Virtual Medical Center and added 9 new locations to our Target Clinic program, bringing high-quality care to Target stores throughout Southern California.

We also earned the American Medical Association’s Joy in Medicine Recognition Program award, achieving industrywide accolades for our physician wellness efforts.
In 2019, we continued to strengthen our collaboration with Emory Healthcare, with patients benefiting from Permanente Medicine delivered in Emory’s world-class hospital system. Patient satisfaction continued to climb, with more than 200 clinicians receiving our Star Communicator Award. The award is given to clinicians with patient satisfaction scores at or above 90%.

Regionally, we announced a pilot program with the national Defense Health Agency to offer the benefits of Kaiser Permanente’s integrated care model to military retirees in the Atlanta area. CMS announced that Kaiser Permanente Georgia’s Medicare Advantage plan once again received a 5-star rating, the only health plan to receive 5 stars in the state.

Clinicians and staff participated in numerous wellness initiatives, including a 21-day plant-based diet challenge and a gratitude challenge. In the community, 4 clinicians from The Southeast Permanente Medical Group now serve on statewide medical boards and committees, bringing the unique perspective of Permanente Medicine to a broader group of medical professionals.

After dedicating his 38-year career to improving our medical group and community, Stephen Tarnoff, MD, outgoing Washington Permanente Medical Group president and executive medical director, embarked on his well-deserved retirement. Dr. Tarnoff’s legacy is cemented as a principal architect of Kaiser Permanente’s acquisition of Group Health, successfully securing the future of our medical group.

An extensive replacement search culminated with Paul Minardi, MD, becoming our new president and executive medical director. Dr. Minardi quickly moved to complete his leadership team by announcing Cindi Johnson as chief financial officer.

We celebrated several successes while continuing to upgrade and modernize our delivery system. We had 1,921,835 patient visits, hired 168 new clinicians, and opened 2 new medical offices. We improved our member experience metrics for the region in comparison to market leaders by 11% and were the only health plan in Washington state to earn 5 stars from the CMS Medicare rating system.
Service areas of Kaiser Permanente

Outlined service areas of Kaiser Permanente and the Permanente Medical Groups, based on zip codes