

The US Health System




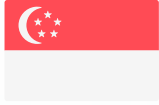

Introduction to the US Health System

Purpose: This brief provides an overview of the US Health System and a comparison to international health systems

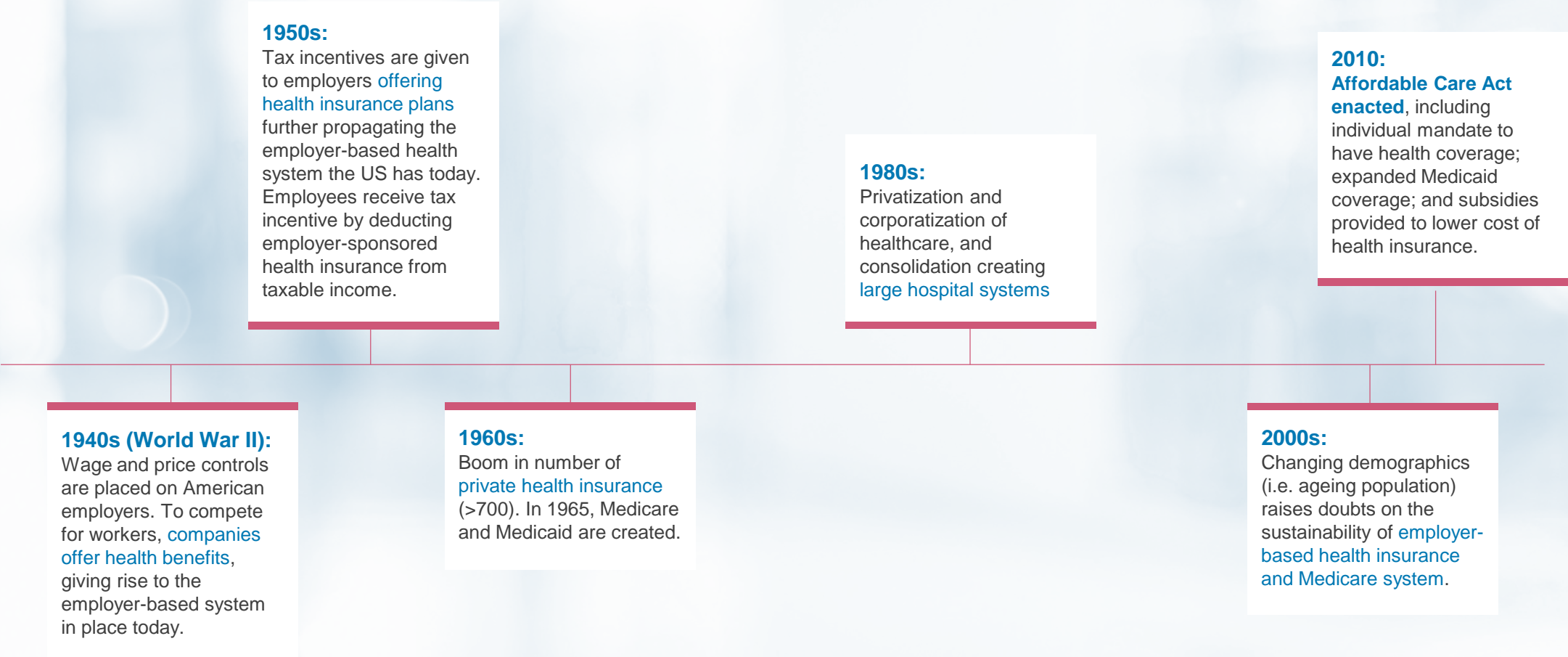
Kaiser Permanente is distinct from the complicated and varied US Health System.

Kaiser Permanente's integrated model provides a unique patient and care delivery experience unlike any other in the US healthcare system.

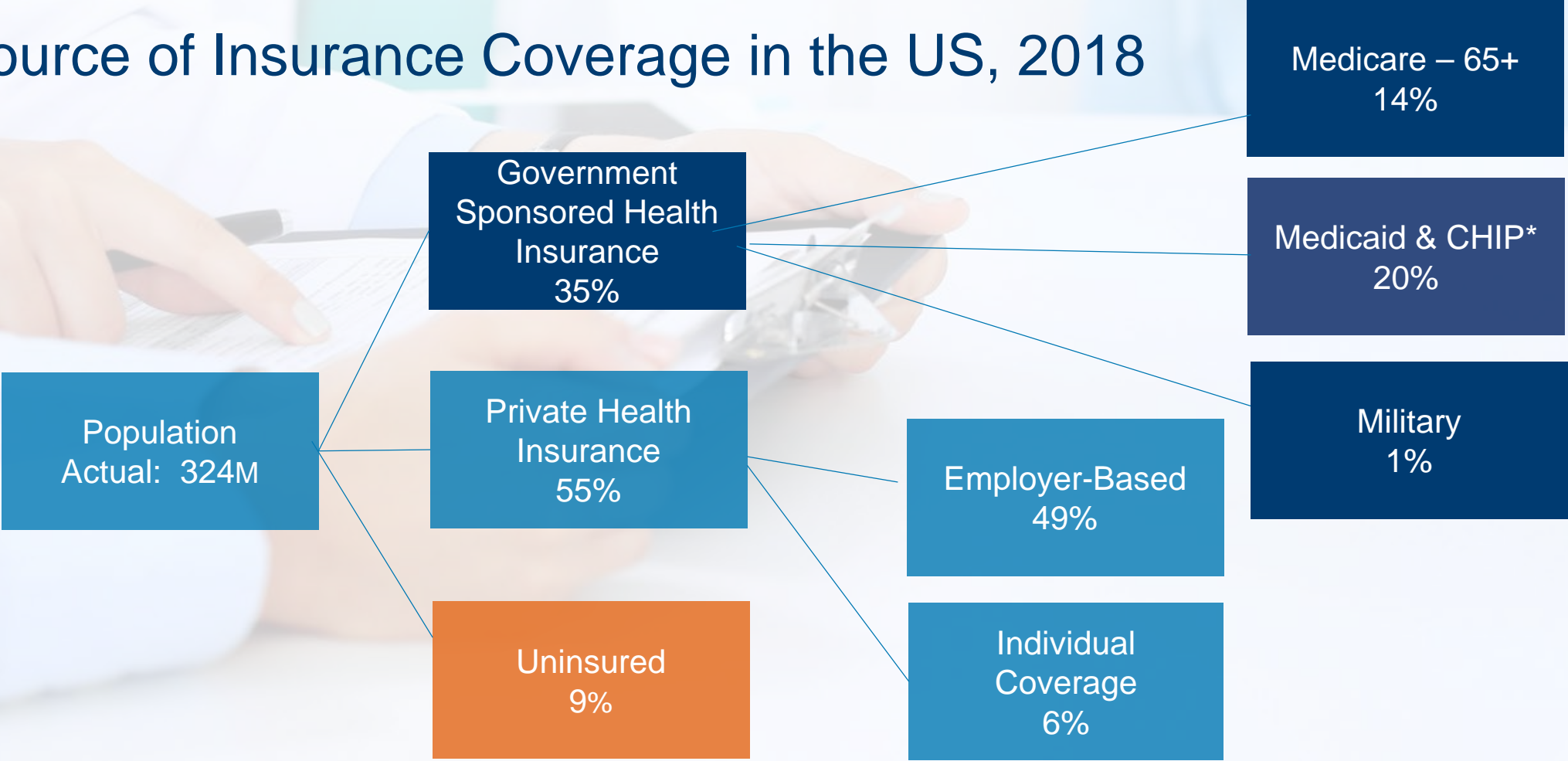
Country Comparison

	Population (MM)	% spent on Healthcare as a portion of GDP	Spending on Pharmaceuticals per Capita	PCP Adoption of EMR (%)	Healthcare Model	
					Universal Healthcare	Private/public
 U.S.A	321.19	17	\$1,112	84%	No	35% covered by government sponsored programs. 55% have private insurance. 9% are uninsured.
 Germany	81.2	11	\$741	84%	Yes	Statutory health insurance paid for by individuals and employers, based on ability to pay. 11% purchase supplemental private insurance.
 Australia	23.4	9	\$626	92%	Yes	Public insurance is funded by a 2% tax on employees and federal funding. 47% purchase supplemental private insurance.
 Singapore	5.5	5	n/a	n/a	Yes	Care is funded through taxes and individual savings accounts. Government controls and pays for the medical system and funds private providers to deliver primary care.
 Brazil	202.7	12	n/a	n/a	Yes	Care is covered by municipal, state and federal funding. 25% of Brazilians purchase supplemental private insurance

Key Developments in the US Healthcare System



Source of Insurance Coverage in the US, 2018



* Children's Health Insurance Plan

Source data: Kaiser Family Foundation, <https://www.kff.org/other/state-indicator/total-population/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22desc%22%7D,2018>). Sums do not total 100% due to rounding.

US Health System



Payment: Predominantly fee-for-service, where doctors and hospitals get paid by volume of care.



Access: Patients can choose providers and hospitals within the network defined by insurance company. Majority of insurers do not require a primary care physician to oversee care.



With Affordable Care Act, all are eligible for insurance, regardless of existing medical conditions*. *9% are still uninsured.* 5.4 million individuals lost employer-sponsored health insurance when they lost jobs as a result of COVID-19.



**undocumented immigrants excluded. Some residents are still unable to afford coverage.*

Quality of Care: aside from Medicare Advantage programs, payments to providers and health plans are not based on quality. Quality measures for insurance plans are reported voluntarily to several nonprofit third-party accreditation agencies, like National Committee for Quality Assurance, Agency for Health Research and Quality.

Key Drivers of U.S. Health Care Spending



Administrative costs account for **8%** of total health care spending, compared with **1-3%** for other countries



Per capita spending for pharmaceuticals was **\$1,443** in the U.S. and **\$466-\$939** in other countries.

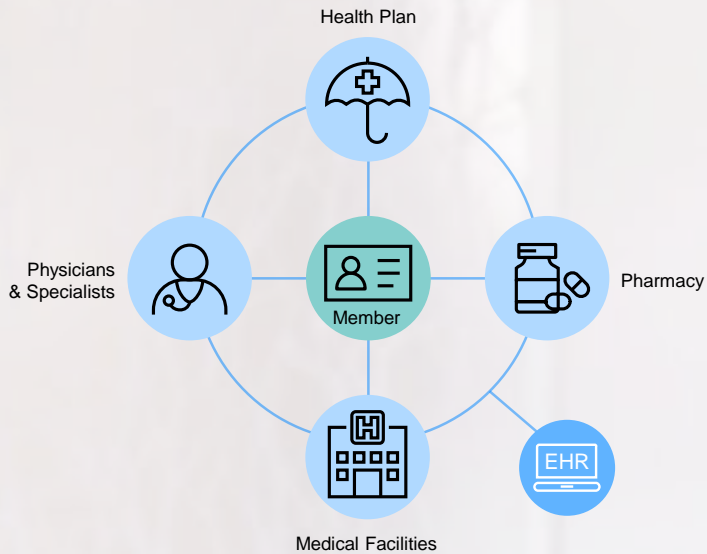


Average salary for a general practice doctor was **\$218,173** here and **\$86,607-\$154,126** in other countries.

The main drivers of higher health care spending in the U.S. are generally high prices — for salaries of physicians and nurses, pharmaceuticals, medical devices, and administration.

(Source: [Harvard Global Health Institute](#))

Kaiser Permanente Stands Out within the US



Health plan, providers, hospitals, and pharmacies collaborate to meet sustainable quality and cost targets

Coordination is high; a single physician group can easily share info and resources

A shared EHR connects health plan, providers, hospital, and pharmacies

Fully Integrated System, with key attributes that differ from most of the healthcare in the US, including:

- Hospitals and physicians are paid on a capitated basis.
- Physicians are salaried
- Hospitals are owned and are cost centers
- Fully integrated use of EHR (KP HealthConnect)
- Pharmacies are part of the integrated system
(EHR helps make adherence to formulary easy to do and cost efficient. Generic Drugs Use: KP 85% vs Industry Ave. 69%)

Emphasis on Evidence-based Medicine

Clinical researchers help define best standards of care. These standards are available to all care team members at the point of care.

Prevention and Quality

Through its integrated system, team-based, highly coordinated care, Kaiser Permanente leads the country in quality for chronic condition management and prevention. It consistently is ranked #1 for breast cancer and colon cancer screening, as well as controlling high blood pressure and lowering rates of heart disease.

Kaiser Permanente Patient Journey



JOIN KAISER PERMANENTE

New members: choose primary care physician and sign up for KP.org (online patient portal), transition medical record and prescriptions if needed to EHR. All medical information is accessible to all care team members through EHR.



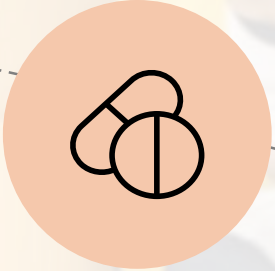
VISIT DOCTOR

Patients seek care: at visit with care team, current condition and prevention opportunities are addressed.



REFER TO SPECIALIST

Primary care physician facilitates connection to specialists and oversees all care. Patients are supported by a team of health care professionals, including doctors, nurses, pharmacists, health educators and more. Care teams have access to the best evidence to support care pathways.



GET PRESCRIPTION

Patients can pick up medications at KP pharmacies or have them delivered at home.



ONGOING CARE MANAGEMENT

Care anywhere: 24/7 advice nurses and in-person, phone and video appointments are available for patients to manage emergent and chronic conditions. Patients receive reminders for prevention opportunities through patient portal. Emergency care is covered for members throughout the world, not only in KP locations.

Kaiser Permanente leverages integration for COVID-19 response

Telehealth

- Quickly increased virtual care to 80% of visits, with 90,000 visits per day
- Expanded mail order prescriptions from 29% to 61% during COVID-19

Command Center

- Enabled efficient use of facilities and PPE
- Redeployed staff to boost telehealth, reducing infection risks from in-person care

Research

- Led the first clinical trial for a coronavirus vaccine
- Participating in multiple clinical trials for treatments of COVID-19

Community Health

- Provide grants to prevent and treat COVID-19 among the homeless population
- Partner with State of California to fund \$63 million for contract tracing

Facilities

- Helped reopen hospital to use as “surge hospital”
- Redeployed staff to boost telehealth, reducing infection risks from in-person care

Mental Health

- Offered 2 digital therapeutic apps to support mental health, at no cost to patients
- Created guide for schools to support mental health of students and teachers



An educational subsidiary for global impact