Executive Summary: Kaiser Permanente

This report evaluates Kaiser Permanente online medical care and provider shopping services that are intended to help consumers:

- use benefits wisely,
- save money, and
- find higher-value doctor and hospitals.

Kaiser Permanente offerings are compared to third-party benchmarks and to comparable services from Aetna, Anthem, Cigna, HealthNet, and United Healthcare.

Highlights: Kaiser Permanente Strengths and Weaknesses

Overall Rating

Compared to other health plan, Kaiser Permanente shopping services LOW.¹

Strengths

- Allowed fee estimator is embedded in an integrated, easy-to-navigate, multi-function user portal.
- Allowed fee amounts are available for more than 350 medical services in three languages, specific to region. User can dynamically create a set of services to estimate total allowed fees and out-of-pocket estimates. The tool allows user to search for facilities by user selected safety, quality and cost preferences.

Weaknesses

- Allowed fee information is not customized to member’s benefits coverage.
- No shopping support compares alternative settings or treatments.
- No hospital allowed fee information is available.

Table 1. Summary of Kaiser Permanente member shopping services

<table>
<thead>
<tr>
<th>SERVICE COMPONENT</th>
<th>VALUE PROVIDED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shop and/or budget for medical service</td>
<td>MEDIUM-LOW: Users can compare fee schedule for 350 medical services. Allowed fees are not customized to coverage.</td>
</tr>
<tr>
<td>Compare allowed physician fees</td>
<td>Not available</td>
</tr>
<tr>
<td>Compare allowed inpatient fees</td>
<td>Not available</td>
</tr>
<tr>
<td>Compare allowed procedure fees across settings</td>
<td>LOW: A limited comparison across settings is possible but requires user initiative.</td>
</tr>
<tr>
<td>Compare allowed fees for treatment or setting alternatives</td>
<td>Not available</td>
</tr>
<tr>
<td>Shop for medications</td>
<td>LOW: User can view fee schedule for KP formulary medications. Generic medications display automatically. No mail-order savings opportunities are presented.</td>
</tr>
</tbody>
</table>

¹ A note on Kaiser Permanente’s tools: extensive functionality is available in Kaiser’s PHR, mykp.org. However, the scope of this evaluation is limited to information integrated into the cost calculator tool. Other areas of the member portal were not evaluated, although some of the shopping functionality can be found there.
Purposes and Methods

The purpose of the shopping services evaluation is to help purchasers with their employee decision support planning by: a) helping the workforce use health plan shopping tools to search for and purchase provider and medical services, and b) advocating with contracted health plans to improve these services.

We assessed health plan decision support tools to help members:

- Shop and/or budget for medical care
- Compare physician fees for common medical services
- Compare hospital/facility fees for common medical services
- Compare fees for alternative treatments and settings, and
- Shop for medications

To compare plans, we developed nine Use Cases spanning a variety of health care needs. They assessed how the tools handled different queries, bundled episodes of care, provided patient education, and linked with other data, such as users’ benefits, demographic information, and personalized risk assessments.

Benchmark performance for each Use Case was set by a third-party cost calculator.

Benchmarks for cost calculator tools

Use Case number 1: Alternative and equally effective treatments and services

Users can:

- Identify treatment and service options and supporting evidence.
- Learn about evidence-based care guidelines, such as recommended frequency of mammography.
- Compare coverage-specific allowed fees for alternative treatment and service settings (e.g., doctor’s office, hospital, imaging facility).
- Compare options and allowed fees side-by-side.
- Identify medical services that comprise an episode of care.
- Learn about self-care options.

Use Case number 2: Diagnostic testing

Users can:

- Compare coverage-specific allowed fees for local providers’ diagnostic services (e.g., independent lab vs. hospital-affiliated lab).
- View related coverage-specific allowed fees, such as radiology report.
- Identify in-network options with lowest allowed fees (e.g., instructions, sorting and search functions).
Use Case number 3: Elective or planned surgery requiring inpatient admission

Users can:
- Compare coverage-specific allowed fees for the surgical episode of care, including costs that span settings and providers.
- Identify the cost for each element in an episode of care (e.g., pre-admission testing and services, hospital admission, professional services, and follow-up care).
- View quality information for the hospital provider.
- Readily identify the option with highest quality and lowest allowed fees (e.g., instructions, sorting and search functions).

Use Case number 4: Services performed in alternative settings

Users can:
- Compare coverage-specific allowed fees across settings.
- Identify coverage-specific allowed fees by element for the entire episode of care, including doctor visits, surgical center, hospital, and follow-up care.
- Learn about options including in- and out-of-network providers and service settings (e.g., hospital vs. ambulatory surgical center).
- View quality information for providers and settings.
- Readily identify the option with highest quality and lowest allowed fees (e.g., instructions, sorting and search functions).

Use Case number 5: Cost comparisons across settings

Users can:
- Compare coverage-specific allowed fees for providers and services across settings (e.g., emergency department, urgent care, office visit).

Use Case number 6: Chronic care management

Users can:
- Identify coverage-specific allowed fees for annualized cost of care for a chronic condition.
- Identify savings opportunities such as mail-order pharmacy.

Use Case number 7: Personalized care recommendations and treatment alternatives

Users can:
- Receive age- and gender-customized preventive care and screening recommendations that are linked to self-management tools (e.g., personal health record, health risk appraisal).
- Compare screening options by coverage-specific allowed fees.
- Learn about screening, recommended frequency, and possible complications.
- Link to in-network providers to make appointments.
- View provider quality information.
Kaiser Permanente Shopping Services

Kaiser Permanente’s extensive patient portal guide users through an array of care and service activities. Cost of care information is limited, and the portal does not support an interactive shopping experience.

New members are guided through the process of choosing a primary care provider and view a plan comparison, detailing customized co-pays, deductibles, and coinsurance rates.
The sample fee schedule specific to the Northern California region is available in English, Spanish, and Chinese, but it is not customized to the user’s coverage. Available as a downloadable PDF, the schedule lists allowed fees for more than 350 services including many visit types (primary and specialty care, well visits, pediatric, and follow-up care), diagnostic and lab tests, ambulatory procedures, vaccinations and injections, and emergent care. Inpatient care is not included.

Users can view fees for more than 350 procedures; however, fees are not customized to coverage or providers. The same fee schedule applies across all Kaiser providers in a given locale and is irrelevant in Kaiser Permanente’s most common benefit plan, a traditional closed health maintenance model.
In the “Treatment Fee Tool,” users first describe the care recipient (not customized to plan primary/dependents).

Users then select medical services and medications from drop-down menus, but options omit some common procedures. For example, MRI of the spine is one of the 50 most common procedures performed in California, but MRIs are not included.
Users can add or delete procedures to assemble an episode or period (e.g., a year) of care. Allowed fees change as procedures and visits are added or deleted.

Users can select service multiples (e.g., six physical therapy visits), and allowed fees multiply accordingly.
A printable output of services and allowed fees displays in the final step, along with messaging explaining the difference between charges and co-pay liabilities. No out-of-pocket estimates display.

Compare Hospital Costs

Hospital care is not included in the cost estimator tool.

Compare Physician Costs

Individual physician allowed fee comparisons are not available.
The cost estimator tool does not include allowed fees for alternative treatment options. Comparing allowed fees across settings is possible if users select two forms of service as alternatives. Allowed fees appear side by side; however, this information is not coverage-specific.
Members can compare medication costs for drugs that are available in the Kaiser formulary. Available generic medications display automatically; no brand-name medications are listed. The displayed fee schedule is not customized to coverage. No mail order option displays, although the mail option is promoted in a separate part of the member portal (MyPharmacy Center.).

Users can bundle services and medications.
The final step is a printable sheet of charges, along with messaging explaining the difference between charges and co-pay amounts for which users may be liable.