

A BETTER WAY to take care of business

Value Summary

Created for Sample ABC, Inc

Measurement Period: APR-01-2012 through MAR-31-2013
Report Date: NOV-05-2013

A BETTER WAY to take care of business

You're faced with pressing business challenges every day—tight budgets, fewer resources, and the need to maximize every employee's productivity. The demanding economic climate, combined with uncertainty around health care reform, makes it tough to figure out your best option when it comes to choosing a health plan—one of the most significant bottom-line decisions you have.

The other way

The business of health

The industry has tried to address your challenges by shifting costs and refinancing care—from consumer-directed health care plans to narrow networks and self-funding. Success is limited because these approaches don't hold insurers and providers accountable for addressing the root causes of rising health care costs—waste, unmanaged illness, and inefficient use of new drugs and technologies.

Many physicians, hospitals, and carriers are now pursuing patient-centered medical homes and accountable care organizations in an effort to improve care, increase efficiency, and lower costs. We believe it's a step in the right direction. But they're just getting started.

A BETTER WAY

The health of your business

You need a partner who's focused on the health of your business today—and who can deliver consistently lower costs, higher quality, and better health for your employees year after year.

For the last four years, the Hewitt Health Value Initiative™ has shown we're the most cost-effective plan across all markets we serve. And every year, we deliver best-in-class quality as measured by third-party rating organizations like the National Committee for Quality Assurance and *U.S. News & World Report*. These results prove we're a better way to take care of your business, your employees, and your bottom line.

Value you can measure.

Choose better

We invite you to compare us to the competition. Find out how we're different, and how that difference improves your bottom line. Learn more at kp.org/choosebetter.

A strategic partner for long-term value

Here's how we help you deliver on your health care strategy:

- **Team approach**—our health plan, physicians, and hospitals are part of the same organization, working side by side to enhance care and manage costs.
- **Award-winning chronic care**—prevention and disease management programs are built into every plan, and coordinated across primary and specialty care.
- **State-of-the-art technology**—with comprehensive electronic medical records, all authorized caregivers can pull up a member's medical history. We can also improve care, reduce errors, and analyze data on millions of patients to identify health patterns.
- **Better data**—our reports use clinical data to pinpoint the source of your costs, offer tailored health improvement solutions, and show the cost savings and productivity gains we estimate your group achieves with Kaiser Permanente.

A better way to assess your coverage

The *Value Summary* is a groundbreaking first step in analyzing your group's data to quantify some of the value you get from your Kaiser Permanente coverage. It enables you to monetize the direct benefits your group gets from our integrated approach to care.

You'll see that:

- **You save more on direct medical costs** as a result of more effective care.
- **You gain more productivity hours** as a result of healthier, more engaged employees.

Group Demographics

	Your Group	KP Regional Average
Subscribers	4,895	-
Members	12,746	-
Average Membership	13,461	-
Average Age (subscribers)	41.0	41.0
Average Age (members)	28.5	33.3
Gender (% female, all members)	45%	51%
Average Contract Size	2.6	1.9

Comparison of Total Cost (pmpm)



Kaiser Permanente includes Emergency, Inpatient, Outpatient, Pharmacy, Other (including OMS & ICM), and Retention.
Market Average includes Emergency, Inpatient, Outpatient, Pharmacy, Other, and Admin/Retention.

Online Personal Health Management

Estimated Productivity Gains	Estimated Savings
513HRS	\$55,278
Avoided duplicate lab tests.	Avoided duplicate lab tests.
17,764HRS	
Time not lost to flu.	

Time-saving, online system. Includes member access to their clinically-based personal health record: lab results, post-visit doctor's instructions, and immunization schedule. Also includes health alerts for upcoming or missed screenings and the ability to make/change appointments.

Making Information Accessible and Care More Convenient

Total Lab Test Results Viewable Online by KP Clinicians	100%
Estimated Volume of Duplicate Lab Tests Prevented ²	4%
Your Estimated Savings as a Result	\$55,278
Estimated Subscriber Productivity Gain	513HRS

Bonus Convenience:

Percent of Members Viewing Lab Test Results Online	66%
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Boosting Productivity through Preventive Care

	Vaccination Rates	
Childhood Immunizations	91.0%	
Influenza	61.3%	
Estimated Subscriber Productivity Gain³		17,764HRS

Based on KP CAHPS regional influenza vaccination rates.

Earlier Detection of Cancer Screening Rates

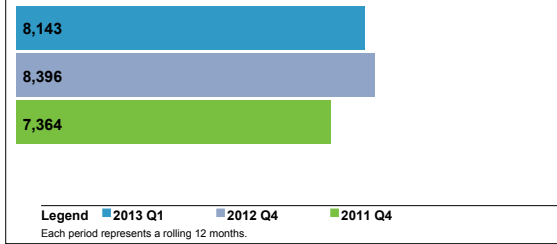
	Your Group	KP Regional Average	NCQA 50th Percentile	NCQA 90th Percentile
Breast Cancer	77.0%	79.8%	70.3%	79.0%
Cervical Cancer	85.3%	85.4%	77.1%	82.9%
Colorectal Cancer	69.2%	74.7%	63.3%	73.7%

Clinical Access Alternatives

Estimated Productivity Gains	Estimated Savings
2,449HRS	\$169,801
Fewer appointments.	Fewer appointments.

Time-saving alternatives to scheduled office visits. Includes secure email messaging and scheduled phone visits with a physician; specialist consults that occur within the patient's primary care appointment; and consults that occur between primary care physicians and specialists via phone or email.

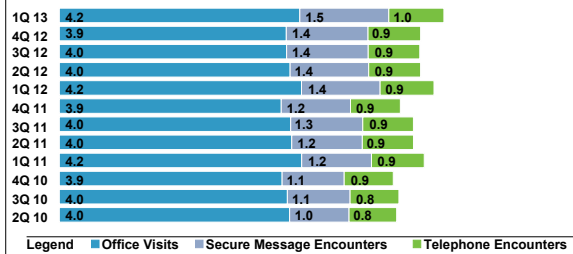
Your Group Number of Secure Email Messages Sent to Providers



Estimated Savings and Productivity Gains

Estimated Member Savings			
2,036	×	\$20	= \$40,715
Fewer appointments ⁴		Average member copay	
Your Estimated Savings			
2,036	×	\$83	= \$169,801
Fewer appointments		Average appointment cost ⁵	
Your Estimated Productivity Gains			
816	×	3 HRS	= 2,449HRS
Fewer subscriber appointments		Average time away from work ⁶	

Distribution of Encounter Types (pmpy) KP Regional Average



Telephonic Clinical Advice

Our ability to resolve more issues by phone leads to direct savings by reducing unnecessary appointments and costly emergency room visits.

With access to member's electronic medical record, caregivers at our 24/7 nurse advice line use physician-developed treatment protocols to provide appropriate and timely access to care.

Advice line staffed by Kaiser Permanente nurses. Nurses have access to members' complete electronic health record and a physician for serious calls.

Nurse advice

Nurse Advice Call Volume	4,034
Estimated Call Disposition:⁷	
Resulted in Scheduled Appointment	30%
Resulted in Referral for Urgent/Emergency Care	24%
Resolved by Call to Nurse Advice	46%

Wellness Information and Coaching

Our integrated model allows us to better capture and report biometric data.

Understanding and tracking biometric data is essential to identifying risk factors before they develop into more serious and costly chronic conditions. To further support the wellness of your employees, Kaiser Permanente offers healthy lifestyle programs. These programs have demonstrated success in helping participants change behaviors and increase productivity.

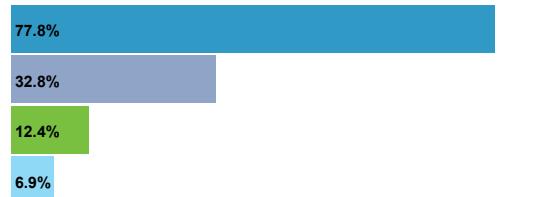
Physician-endorsed health education and self-care support. Includes online programs and tools, classes at Kaiser Permanente facilities, newsletters, walking programs, fitness club discounts, and telephone health and wellness coaching.

Percent of Your Group's Adult Members Measured at a Clinical Visit



Legend ■ BMI ■ Cholesterol ■ Smoking Status ■ Blood Pressure

Your Group's Health - Adults



Legend ■ Obese/Overweight ■ Borderline/High Total Cholesterol ■ Smokers ■ Blood Pressure >= 140/90

Your Group's HealthMedia[®] Self-Care Program Participation

	Programs Completed	Self Reported Productivity Gain by Program ⁸
Care for Diabetes	2	3.5 hours/wk
Care for Pain	0	3.4 hours/wk
Care for Your Back	1	3 hours/wk
Care for Your Health	1	1.2 hours/wk
Eat Healthy (Nourish)	2	.9 hours/wk
Lose Weight (Balance)	13	1 hours/wk
Overcoming Depression	4	2.9 hours/wk
Overcoming Insomnia	1	2.5 hours/wk
Quit Smoking (Breathe)	6	.7 hours/wk
Reduce Stress (Relax)	4	2 hours/wk

More than 3,800 classes and programs available to your members

Chronic Conditions Management

Estimated Productivity Gains

4,404HRS

Enrollment in complete care.

Estimated Savings

\$4,208,207

Lower cost of chronic conditions.

Comprehensive, clinically-based disease management. Includes disease registries, case identification, member outreach, integrated health education and self-care support, outcomes tracking and analysis, and employer reports.

Pharmacy Management

Estimated Productivity Gains

6,680HRS

Managing prescriptions online.

Estimated Savings

\$3,948,669

KP prescriptions.

Integrated pharmacy services. Includes negotiated discounts based on high volume, physician and pharmacist-developed formulary, patient education for all new and changed prescriptions, phone/online patient refill systems, and industry-leading anticoagulation clinics.

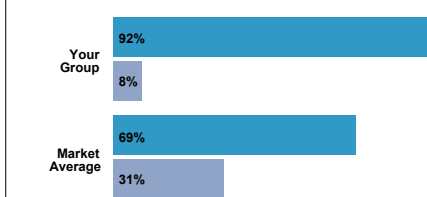
Total Cost of Care for Members with Major Chronic Conditions



Your Estimated Savings as a Result **\$4,208,207**

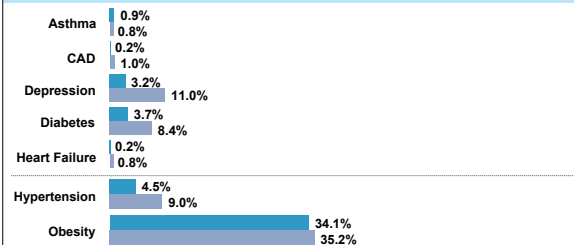
Chronic Conditions (asthma, chronic heart failure, coronary artery disease, depression, diabetes) identified by DxCG model.

Generic Prescribing Rates



Legend ■ Generic ■ Brand

Your Group Prevalence and Cost of Chronic Conditions



Legend ■ Prevalence ■ Cost
(HEDIS defined, excluding Obesity)

Pharmacy Cost and Volume Comparison

	Your Group ¹¹	Market Average ¹²
Average Volume (pmpy)	7.3	6.7
Average Cost (\$/script)	\$35	\$81
Average Cost (pmpm)	\$21	\$46

Your Estimated Savings as a Result

\$3,948,669

Pharmacy Consultations Offered

100% of New and Changed Prescriptions

Your Group Members Automatically Enrolled in Kaiser Permanente Complete Care Programs

	Your Group
Asthma	102
Depression	364
Diabetes	422
Heart Disease	<30
Hypertension	517

Estimated Subscriber Productivity Gain¹⁰

4,404HRS

Gain is relative to a baseline of appropriate and expected care for each condition.

Chronic Condition Medication Outcomes - HEDIS

	Your Group	KP Regional Average	NCQA 50th Percentile	NCQA 90th Percentile
Asthma (Control)	97.1%	93.7%	92.3%	95.2%
Depression (Acute Phase)	68.2%	76.2%	65.4%	73.4%
Depression (Continuation Phase)	51.1%	57.9%	49.1%	57.8%
Heart Disease (Beta Blocker)	ISS	89.3%	82.2%	91.2%
Heart Disease (Lipid Control)	ISS	71.8%	60.8%	73.1%

Chronic Conditions Under Control - HEDIS

	Your Group	KP Regional Average	NCQA 50th Percentile	NCQA 90th Percentile
Asthma	97.1%	93.7%	92.3%	95.2%
Depression	51.1%	57.9%	49.1%	57.8%
Diabetes	71.1%	75.7%	73.5%	81.8%
Heart Disease	ISS	71.8%	60.8%	73.1%
Hypertension	79.9%	81.9%	66.3%	76.2%

Managing Prescriptions Online

Percent of Prescription Refills Ordered on kp.org	15%
Volume Shipped for Free to Members via USPS	0.9 (pmpy)
Estimated Subscriber Productivity Gain ¹³	6,680HRS
Estimated Member Savings from Mail Order Incentive Benefit	\$27,330

Prescription Refill Method¹⁴

Your Group	23% mail, 77% pickup
KP Regional Average	23% mail, 77% pickup
Market Average	7% mail, 93% pickup

Medical and Case Management

Our integrated care delivery system enables researchers and physicians to quickly and efficiently develop, test, and electronically share clinical best practices that drive quality and cost efficiencies.

Services within the Medical and Case Management category enhance our ability to care for our members in a coordinated and cost-effective way.

Effective inpatient and complex case management. Includes appropriate admission, discharge, and transition to hospitals, rehab centers, and skilled nursing programs. Also includes coordination and tracking of complex cases and transplants.

External Provider Network Management

Most other health plan networks are reviewed, approved, and managed by health plan administrators only.

In areas where we contract with physician networks, doctors are reviewed, approved, and managed by Permanente physician groups in partnership with our health plan -- helping to provide clinical oversight.

Provider networks managed by Permanente physician groups. Includes identifying, contracting with, and reviewing external provider networks; negotiation of competitive contract discounts where applicable; claims negotiation; and performance-based incentives.

Utilization

	Your Group	KP Regional Average	Market Average ¹⁵
Outpatient Visits/1000	3,133	3,194	4,975
Outpatient PMPM	\$84	\$89	\$135
Inpatient Admits/1000	35	33	42
Inpatient ALOS	3.3	4.5	4.0
Inpatient PMPM	\$75	\$81	\$80

Summary of Value Estimated Premium Savings

Online Personal Health Management	\$55,278
Clinical Access Alternatives	\$169,801
Chronic Conditions Management	\$4,208,207
Pharmacy Management	\$3,948,669
Total Estimated Direct Savings	\$8,381,955

Summary of Value Estimated Productivity Gains

Online Personal Health Management	513 HRS
Online Personal Health Management	17,764 HRS
Clinical Access Alternatives	2,449 HRS
Chronic Conditions Management	4,404 HRS
Pharmacy Management	6,680 HRS
Total Estimated Productivity Gains	31,809 HRS

Indirect Savings Calculations

Converted to FTEs Hours gained divided by 2080 work hours in a year	15.3
Your average annual cost/FTE (salary + benefits)	X

Total Value Created For Your Business

\$ _____

Footnotes

1: The Market Average cost benchmark represents comparable plans offered within your region(s). The benchmark has been adjusted to your group's demographics (age/gender) to enable an accurate comparison.

2: The estimate of duplicate tests prevented reflects efficiencies realized within our own delivery system following the implementation of HealthConnect™, which enables a reduction in laboratory utilization through enhanced review and coordination of patient data.

For the purpose of this report, "duplicate" is meant to be a test that has already been done and which would be unnecessary to repeat for accurate diagnosis and proper therapeutic monitoring.

3: The productivity gain estimate is a calculation based on the decrease in sick leave days for vaccinated employees as published in the New England Journal of Medicine.

The Effectiveness of Vaccination against Influenza in Healthy, Working Adults Kristin L. Nichol, M.D., M.P.H., April Lind, M.S., Karen L. Margolis, M.D., M.P.H., Maureen Murdoch, M.D., M.P.H., Rodney McFadden, M.D., Meri Hauge, R.N., Sanne Magnan, M.D., Ph.D., and Mari Drake, M.P.H., *N Engl J Med* 1995; 333:889-893. October 5, 1995

4: The estimate of appointments saved is based on studies which associate secure messaging with a decrease in office visits, an increase in measurable quality outcomes (at least in primary care), and excellent patient satisfaction.

With studies suggesting that one in four emails may save an appointment, we estimate the potential number of office visits prevented based on your group's volume of secure messages sent within the most recent measurement period.

Y.Y. Zhou, T. Garrido, H.L. Chin, A.M. Wiesenthal, L.L. Liang, "Patient Access to an Electronic Health Record With Secure Messaging: Impact on Primary Care Utilization," *The American Journal of Managed Care*, 13, no. 7 (2007): 418-424.

C. Chen, T. Garrido, D. Chock, G. Okawa, L. Liang "The Kaiser Permanente Electronic Health Record: Transforming and Streamlining Modalities of Care," *Health Affairs*, Vol 28, No 2, (2009); 323-333.

Y. Y. Zhou, M. H. Kanter, J. J. Wang, T. Garrido "Improved Quality at Kaiser Permanente Through E-Mail Between Physicians and Patients," *Health Affairs*, Vol 29, No 7 (2010); 1370-1375.

C.A. Serrato, S. Retecki, D.E. Schmidt, "MyChart—A New Mode of Care Delivery: 2005 Personal Health Link Research Report," *The Permanente Journal*, Spring 2007, 11, no. 2.

5: *Kaiser Permanente Sample Fee List, Established Patient Visit, level 3*
http://info.kaiserpermanente.org/html/estimating_your_cost/

6: The average time away from work is a simple approximation, supported by the Hewitt Associates' Health Trends Digest, which found that online tools, like secure messaging, were proven to help employees cut absenteeism in half.

Health Trends Digest, Hewitt Associates, Spring 2008

7: The estimate of call disposition is based on nurse advice line calls in one Kaiser Permanente region. Shared protocols and best practices allow use as an example of the effect of nurse advice throughout the entire system.

Analysis of KPSC (Southern California) KP OnCall Utilization & Call Disposition data

8: *Kaiser Permanente Healthy Lifestyle Programs Outcomes, HealthMedia®*

Footnotes

9: The Market Average cost benchmark represents comparable plans offered within your region(s). The benchmark has been adjusted to your group's demographics (age/gender/disease prevalence) to enable an accurate comparison.

10: The productivity gain estimate is based on the NCQA Quality Dividend Calculator, which estimates a benefit from missing fewer workdays due to health-related absenteeism and presenteeism. Results by individual condition are aggregated for your group.

The NCQA Quality Dividend Calculator™ Compass Edition

11: On average, Kaiser Permanente prescriptions contain more days of supply (i.e., number of pills) per prescription than is average for prescriptions in the market. To account for the effect of the day supply differences and enable comparison with the Market Average, your pmpy and \$/script figures are adjusted by a 'day supply factor' specific to your region(s). Your Group's costs are based on Incurred Claims data.

12: The Market Average pharmacy costs and utilization benchmark represents comparable plans offered within your region(s). The benchmark has been adjusted to your group's demographics (age/gender) to enable an accurate comparison.

13: The productivity gain estimate is based on the volume of shipments sent to your employees and a recent J.D. Power and Associates study which found that, on average, patients spend an hour filling a prescription order in person.

2011 JD Power National Pharmacy Study

14: Both Kaiser Permanente and Market Average prescription counts are unadjusted for days of supply, where a 30-day supply and a 90-day supply both count as one prescription.

The Use of Medicines in the United States: Review of 2011, IMS Institute for Healthcare Informatics, April 2012

15: The Market Average utilization benchmark represents comparable plans offered within your region(s). The benchmark has been adjusted to your group's demographics (age/gender) to enable an accurate comparison.

* Kaiser Permanente 2011 HEDIS® scores. Benchmarks provided by the National Committee for Quality Assurance (NCQA) Quality Compass® and represent all non-PPO 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 2011 and is used with the permission of NCQA. Quality Compass 2011 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.

NOTES:

All source data reflects the report measurement period.

All data for multi-region groups are averages based on the weighted distribution of membership by region. Insufficient Sample Size (ISS) will be displayed if the eligible member population for the metric is less than 30.

Definitions

GROUP DEMOGRAPHICS

Subscribers: Number of subscribers enrolled at the end of the measurement period for the customer being reported.

Members: Number of members enrolled at the end of the measurement period for the customer being reported.

Average Membership: Average monthly membership during the measurement period for the customer being reported.

Average Age (subscribers): Average age of subscribers enrolled at the end of the measurement period for the customer being reported. Uses total enrollment data at a point in time (all subscribers, not just continuously-enrolled).

Average Age (all members): Average age of members enrolled at the end of the measurement period for the customer being reported. Uses total enrollment data at a point in time (all members, not just continuously-enrolled).

Gender (% female, all members): Percentage of females enrolled at the end of the measurement period for the customer being reported. Uses total enrollment data at a point in time (all members, not just continuously-enrolled).

Average Contract Size: Total members divided by total subscribers at the end of the measurement period for the customer being reported. Uses total enrollment data at a point in time (all members, not just continuously-enrolled). Referred to as "Average Family Size" in other CAR-produced reports.

Comparison of Total Cost (pmpm): Customer's total pmpm cost (including Emergency, Inpatient, Outpatient, Pharmacy, Other, and Admin/Retention), with KP Regional and Market Average¹ benchmarks. "Other" includes Ambulance, DME, Home Health, and Prosthetics. For the Group and the KP Regional Average, "Other" also includes Other Medical Services (OMS) and ICM fees. Total costs exclude any group-specific loads (ex. Wellness program). Your group's PMPM % Difference is calculated by dividing the difference between the group's total pmpm and the market average total pmpm by the market average total pmpm ((group total pmpm - market average total pmpm)/market average total pmpm).

ONLINE PERSONAL HEALTH MANAGEMENT

Total Lab Test Results Viewable Online by KP Clinicians: All clinicians (100%, static) share access to KP HealthConnect™, our complete electronic medical record.

Estimated Volume of Duplicate Lab Tests Prevented: The percent (4%, static) of tests estimated to have been prevented by shared access to all members complete electronic medical records.

Your Estimated Savings as a Result: Calculation: Group-specific total lab cost during the measurement period x 4%.

Estimated Subscriber Productivity Gain - Making Information Accessible: Calculation: Total Subscriber lab visits during the measurement period x 4% x 1 hour.

Percent of Your Group's kp.org Users Viewing Lab Test Results Online: Total number of "unique" members who viewed lab results online at least once during the measurement period divided by total unique member sign-ons to kp.org.

Childhood Immunizations: Combo-2 Immunization Rate - Percentage of children who were enrolled, and who were 2 years old, and who also received Combination 2 immunization therapy - 4 diphtheria, tetanus and acellular pertussis (DTaP); 3 polio (IPV); 1 measles, mumps and rubella (MMR); 3 H influenza type B (HiB); 3 hepatitis B (HepB), and 1 chicken pox (VZV) vaccine by their second birthday. Follows HEDIS® Standards.

Influenza Vaccination Rate: The regional percent of members who responded "Yes" in 2011 to the Consumer Assessment of Healthcare Providers and Systems (CAHPS®) Health Plan Survey question, "Have you had a flu shot since September 1, 2010?" CAHPS is a program of the U.S. Agency for Healthcare Research and Quality.

Estimated Subscriber Productivity Gain - Based on KP CAHPS Regional Influenza Vaccination Rates: Calculation: Group's Subscribers x KP CAHPS regional influenza vaccination rate x 0.74 fewer sick days for vaccinated employees x 8 hours/workday.

Screening Rates for Breast Cancer: Percentage of females between ages of 42 - 69 for the customer who had a mammography during the measurement year or one year prior to the measurement year. Numerator = number of females between ages of 42 - 69 who had a mammography. Denominator = number of females between ages of 42 - 69. Follows HEDIS standards.

Screening Rates for Cervical Cancer: Percentage of women 24–64 years of age who received one or more Pap tests during the measurement year or two years prior to the measurement year. Follows HEDIS standards.

Screening Rates for Colorectal Cancer: Percentage of adults 51–75 years of age who had appropriate screening for colorectal cancer (CRC). Appropriate screening is a Fecal Occult Blood Test (FOBT) during the measurement year, a flexible Sigmoidoscopy during the measurement year or the four years prior to the measurement year, or a Colonoscopy during the measurement year or nine years prior to the measurement year. Follows HEDIS standards.

¹Milliman HCG benchmark data, age/gender adjusted by region to group's demographics.

Definitions

CLINICAL ACCESS ALTERNATIVES

Number of Secure Email Messages Sent to Providers: Total number of secure email messages sent to members' own care providers via kp.org by the customer's registered users during the measurement period.

Estimated Member Savings: Calculation: Appointments saved (group's number of secure email messages sent in the most recent period divided by four) x Average Member Copay

Your Estimated Savings: Calculation: Appointments saved (group's number of secure email messages sent in the most recent period divided by four) x Average Appointment Cost (the regional cost of a regular, 15-min, established patient visit).

Estimated Subscriber Productivity Gain: Calculation: Subscriber Appointments saved (group's number of secure email messages sent by Subscribers in the most recent period divided by four) x Average time away from work (3 hours, estimate).

Distribution of Encounter Types (pmpy): The per member per year regional average mix of encounter types (Office Visits, Secure Message Encounters, Telephone Encounters).

TELEPHONIC CLINICAL ADVICE

Nurse Advice Call Volume: The 12 month accumulated summary of Nurse Advise Calls made by members of the customer group during the measurement period.

Resulted in Scheduled Appointment: The 12 month accumulated summary of Nurse Advice calls referred to Appointment for Office Visit divided by the total Telephone Advice Count. This non-group-specific estimate of call disposition is based on data from Southern California's KP OnCall Nurse Advice and is used as a proxy to represent the effect of nurse advice.

Resulted in Referral for Urgent/Emergency Care: The 12 month accumulated summary of Nurse Advice Calls referred for Urgent or Emergency Care divided by the total Telephone Advice Count. This non-group-specific estimate of call disposition is based on data from Southern California's KP OnCall Nurse Advice and is used as a proxy to represent the effect of nurse advice.

Resolved by Call to Nurse Advice: The 12 month accumulated summary of Nurse Advice Calls minus those referred to Appointment for Office Visit, Urgent Care, or Emergency Care, divided by the total Telephone Advice Count. This non-group-specific estimate of call disposition is based on data from Southern California's KP OnCall Nurse Advice and is used as a proxy to represent the effect of nurse advice.

WELLNESS INFORMATION AND COACHING

Percent of Your Group's Adult Members Measured at a Clinical Visit (BMI): Percentage of adult population aged 21-74 that had a recorded result for weight and height during the last 12 months. For height, if no value in the 12 month period there was a scan back another 12 months.

Percent of Your Group's Adult Members Measured at a Clinical Visit (Cholesterol): Percentage of adult population that had a recorded result for cholesterol, which includes an LDL, HDL and Triglyceride result, during the last 5 years.

Percent of Your Group's Adult Members Measured at a Clinical Visit (Smoking Status): Percentage of adult population that had their smoking status populated in the social history section of HealthConnect™. This is not a 'time captured' element and reflects the current or most recent smoking status.

Percent of Your Group's Adult Members Measured at a Clinical Visit (Blood Pressure): Percentage of adult population that had a recorded result for blood pressure during the 12 month period being measured.

Your Group's Health - % of Adults who are Overweight or Obese: Percentage of adults who came to the doctor, and were measured, who were overweight or obese (BMI≥25.0).

Your Group's Health - % of Adults with Borderline/High total cholesterol: Percentage of adults who came to the doctor, and were measured, with borderline high or high cholesterol (≥200).

Your Group's Health - % of Adults who smoke: Percentage of members aged 18+ who came to the doctor and who had a recorded smoking status in HealthConnect™ of "yes," "infrequent," or "passive"

Your Group's Health - % of Adults with a blood pressure ≥ 140/90: Percentage of adults who saw the doctor and were measured, who have high blood pressure defined as an "average" systolic blood pressure reading of ≥140 OR an "average" diastolic blood pressure reading of ≥90.

Your Group's HealthMedia® Self-Care Program Participation: Group-specific volume of HMI Healthy Lifestyle Programs completed during the measurement period by members and non-members.

Self Reported Productivity Gain by Program: Gain calculated as the difference from baseline to 180-day evaluation following program completion.

Definitions

CHRONIC CONDITIONS MANAGEMENT

Total Cost of Care for Members with Major Chronic Conditions: Using a DxCG grouping model to identify chronic conditions, the customer's average costs (including Emergency, Inpatient, Outpatient, Pharmacy, Other, and Admin/Retention) for the treatment of members with at least one major Chronic Condition (asthma, CAD, depression, diabetes, heart failure), are compared with KP Regional and Market Average² benchmarks. NOTE: It is NOT the cost of the disease, but total costs for members with the disease. "Other" includes Ambulance, DME, Home Health, and Prosthetics. For the Group and the KP Regional Average, "Other" also includes Other Medical Services (OMS) and ICM fees. Total costs exclude any group-specific loads (ex. Wellness program).

Your Estimated Savings as a Result: Calculation: The percent difference between Your Group and the Market Average "Total Cost of Care..." multiplied by the group's total costs.

Your Group Prevalence and Cost of Chronic Conditions: PREVALENCE: Percentage of members for the customer that fall into the HEDIS definition (excluding obesity) for the eligible population of the disease cohort based on diagnosis and/or relevant medications. Numerator = Eligible population of the disease cohort based on HEDIS inclusion criteria for the measurement period. Denominator = Total number of "continuously enrolled" members (enrolled with KP for at least 11 of the 12 months of the measurement period) and who are still enrolled with KP at the end of the measurement period. The Denominator includes members of all ages. Follows HEDIS standards. Obesity is not HEDIS defined. Obesity is defined as the percentage of all members (of the customer group) with a BMI ≥ 30.0 (or child members that are obese according to BMI percentile ranking) recorded during the past 12 months. COST: Percentage of Your Group's total medical costs attributed to care for members (of the customer group) within the disease cohort. Note - It is NOT the cost of the disease, but the cost of the members with the disease. Costs for members with co-morbid conditions are represented within each disease category. Numerator = Summarized cost of each member that falls into the disease cohort for the period. Denominator = Summarized cost of all members for the defined customer population that are continuously enrolled during the period and who are still enrolled with KP at the end of the measurement period. The denominator includes summarized cost of members of all ages.

Your Group Members Automatically Enrolled in Complete Care™ Programs: Number of members for the customer that fall into the HEDIS definition for the eligible population of the disease cohort, based on diagnosis and/or relevant medications, during the measurement period. Follows HEDIS standards.

Estimated Subscriber Productivity Gain: NCQA Quality Dividend Calculator (QDC) estimates the effect of care by Kaiser Permanente on work days gained per year (per member with the condition) based upon regional data for the most recent complete calendar year. Calculation: Sum of workdays gained per year by disease (NCQA QDC estimate of work days gained by disease x number of Subscribers within each corresponding disease cohort), converted to hours based on an average 8 hour workday.

Chronic Conditions Under Control – Asthma: Percent of persistent Asthma members for the customer who were dispensed at least one prescription for inhaled corticosteroids, nedocromil, cromolyn sodium, leukotriene modifiers or methylxanthines during the measurement period. Follows HEDIS Standards.

Chronic Conditions Under Control – Depression: Percentage of members who were diagnosed with a new episode of depression and treated with antidepressant medication and who remained on an antidepressant drug for at least 180 days (6 months). Follows HEDIS Standards.

Chronic Conditions Under Control – Diabetes: The inverse of Percentage of Diabetic members for the customer that were in "Poor Control" based on a Hemoglobin A1c result of $>9\%$ during the measurement period which follows HEDIS Standards.

Chronic Conditions Under Control – Heart Disease: Percentage of CAD members for the customer that have had a Lipid Control level (LDL-C) <100 mg/dl during the measurement period. Follows HEDIS Standards for Cholesterol Management for Patients with Cardiovascular Conditions.

Chronic Conditions Under Control – Hypertension: Percentage of members in the Hypertension cohort that have a blood pressure that is adequately controlled. Adequately controlled is defined as "Both a representative systolic BP <140 mm Hg AND a representative diastolic BP <90 mm Hg (BP in the normal or high-normal range). Follows HEDIS Standards.

²Milliman HCG benchmark data, age/gender/prevalence adjusted by region to group's demographics.

Definitions

PHARMACY MANAGEMENT

Generic Prescribing Rates: Group-specific ratio of generic-to-brand prescriptions during the measurement period, with a Market Average³ benchmark.

Average Volume (pmpy): Average number of total prescriptions (pmpy) for the customer during the measurement period, adjusted by a 'day supply factor,' with a Market Average⁴ benchmark.

Average Cost (\$/script): Average cost per prescription for the customer during the measurement period, adjusted by a 'day supply factor,' with a Market Average benchmark.

Average Cost (pmpm): Total pharmacy cost per member per month for the customer during the measurement period, with a Market Average benchmark.

Your Estimated Savings as a Result: Calculation: (Market Average Pharmacy pmpm - Your Group's Actual Pharmacy pmpm) * (Your Group's Average Membership * 12)

Pharmacy Consultations Offered: By KP pharmacy policy and procedure all (100%, static) new and changed prescriptions are offered a pharmacist consultation.

Chronic Condition Medication Outcomes - HEDIS – Asthma: Percent of persistent Asthma members for the customer who were dispensed at least one prescription for inhaled corticosteroids, nedocromil, cromolyn sodium, leukotriene modifiers or methylxanthines during the measurement period. Follow HEDIS Standards - Use of Appropriate Medications for People With Asthma - Age 5-64.

Chronic Condition Medication Outcomes - HEDIS – Depression (Acute): Percentage of members for the customer who were diagnosed with a new episode of depression, were treated with antidepressant medication and remained on an antidepressant drug during the entire 84-day (12-week) Acute Treatment Phase. Follows HEDIS Standards - Antidepressant Medication Management - Effective Acute Phase Treatment.

Chronic Condition Medication Outcomes - HEDIS – Depression (Continuation): Percentage of members for the customer who were diagnosed with a new episode of depression and treated with antidepressant medication and who remained on an antidepressant drug for at least 180 days (6 months). Follows HEDIS Standard - Antidepressant Medication Management - Effective Continuation Phase Treatment.

Chronic Condition Medication Outcomes - HEDIS – Heart Disease: Percentage of members based on the PBH eligible population who were prescribed a Beta Blocker 6 months after discharge. Follows HEDIS Standards - Persistence of Beta Blocker Treatment after a Heart Attack.

Chronic Condition Medication Outcomes - HEDIS – Hypertension: Percentage of CAD members for the customer that have had a Lipid Control level <100 mg/dl during the measurement period. Follows HEDIS Standards - Cholesterol Management for Patients with Cardiovascular Conditions: LDL-C Control (<100 mg/dL).

Percent of Prescription Refills Ordered on kp.org: Group-specific number of prescription refills ordered on kp.org divided by the group's total number of prescriptions.

Volume Shipped for Free to Members via USPS: Group-specific average number of mail-order shipments per member per year.

Estimated Subscriber Productivity Gain: Calculation: Group's total number of orders shipped via USPS to Subscribers x 1 hour per shipment

Estimated Member Savings from Mail Order Incentive Benefit: Calculation: Average Generic Copay (\$10, assumption) x Group's Total Online Prescription Orders Sent via US Mail.

Prescription Refill Method: Percent of total prescriptions fulfilled via mail-order versus picked up from a retail pharmacy, with a Market Average⁵ benchmark.

MEDICAL AND CASE MANAGEMENT

Outpatient Visits/1000: Average number of outpatient visits per thousand members for the customer during the measurement period, with a Market Average⁶ benchmark.

Outpatient PMPM: Total cost for outpatient claims divided by average membership divided by the number of months within the reporting period for the customer during the measurement period, with a Market Average benchmark.

Inpatient Admits/1000: Average number of inpatient admissions per thousand members for the customer during the measurement period, with a Market Average benchmark.

Inpatient ALOS: Total inpatient days divided by the number of admissions for the customer during the measurement period, with a Market Average benchmark.

Inpatient PMPM: Total cost for inpatient claims divided by average membership divided by the number of months within the reporting period for the customer during the measurement period, with a Market Average benchmark.

³IMS National Prescription Audit, Sept 2011, commercial-only, unadjusted

⁴Milliman HCG benchmark data, age/gender adjusted by region to group's demographics.

⁵The Use of Medicines in the United States: Review of 2011, IMS Institute for Healthcare Informatics, April 2012. Kaiser Permanente and Market Average prescription counts are unadjusted for days of supply, where a 30-day supply and a 90-day supply both count as one prescription.

⁶Milliman HCG benchmark data, age/gender adjusted by region to group's demographics.

