

The value of Kaiser Permanente consumer-directed health care

Lower costs. Quality care. High employee engagement.



Demonstrated savings without compromising quality

Industry research shows that employees with traditional CDHC plans often underuse preventive care services – a behavior that can lead to costly chronic conditions for them and a significant impact on your business's bottom line.¹

Kaiser Permanente shatters that trend. In fact, our recent study proves that Kaiser Permanente CDHC plans can keep cost trends low while maintaining high quality of care and encouraging employees to make the most of their health plan.

Over 6 years, employers that introduced Kaiser Permanente high-deductible health plans (HDHPs) experienced:



Kaiser Permanente CDHC study



6 years



1,698 groups



897K members

For the purposes of this study, CDHC plans include deductible plans with health reimbursement arrangements (HRAs), plans with \$1,000 deductibles and higher, and health savings account (HSA) qualified HDHPs.⁴

Short-term savings, long-term sustainability

Our care providers work together in one connected system – and are incentivized to provide the right care at the right time. This fully integrated approach improves clinical efficiency, while the CDHC study shows significant short- and long-term value for employers who offer Kaiser Permanente HSA-qualified HDHPs.



4.4%

average savings on first-year
monthly coverage charges for all plans²

(Based on a study subset of 1,480 groups who adopted a Kaiser Permanente HSA-qualified HDHP)

In an independent review of Kaiser Permanente's study on CDHC plans, **Milliman, Inc.**, validated the actuarial study methodology and the average cost savings experienced by employers when a Kaiser Permanente HDHP was introduced.⁵

Did you know?

Based on our overall large group population, **employers save an average of 18.5%** when employees switch to a Kaiser Permanente HDHP. Of those savings, **4% are attributed to lower utilization of care.**⁶

Consistent, uncompromising quality

With Kaiser Permanente, affordability doesn't come at the expense of quality. Study results show that members on a CDHC plan continue to benefit from our high-quality care, with preventive screenings and chronic condition management often at levels above national benchmarks.⁷



Maternity care
Prenatal and postpartum visits



Preventive care
Cervical and breast cancer screenings



Chronic condition management
Asthma, blood pressure control for hypertension and diabetes

Highly engaged employees

Putting employees in control of their health care spending can be a cost-effective answer to your rising costs. In fact, our study shows that employees with appropriate decision-making tools and resources take an active role in their health and make the most of their plan.⁷



Over 70% of employees
registered on kp.org



Nearly half of employees
who signed on emailed their
doctor's office and viewed lab results



More than half of employee
prescriptions were refilled online

Did you know?

In 2019, Kaiser Permanente
**members used our online
cost estimates tool 1.2
million times** with an
average accuracy of 95%.

A national leader
in cost efficiency, quality,
and customer loyalty

No. 1 for delivering high quality
care at a sustainable cost⁸

Reaction
Data

Among the highest-rated
health plans in the nation⁹



Ranked highest in customer
loyalty 9 years in a row¹⁰

NICE  Satmetrix

To learn more about our CDHC plans or request a quote,
contact your Kaiser Permanente representative.

1. Agarwal et al., *High-Deductible Health Plans Reduce Health Care Cost and Utilization, Including Use Of Needed Preventive Services*, Health Affairs, October 2017, [healthaffairs.org/doi/full/10.1377/hlthaff.2017.0610](https://doi.org/10.1377/hlthaff.2017.0610). 2. Average cost trend for all fully insured Kaiser Permanente plans offered when an HDHP was introduced. Savings were based on a subset of 1,480 employers within the study who adopted an HDHP. 3. NBGH 2012-2017 cost trend data reported in 2020 Large Employers' Health Care Strategy and Plan Design Survey, and 2015 and 2014 Large Employers' Health Plan Design Surveys. 4. The overall CDHC study included 1,698 fully insured large employers that offered one or more plans in these categories: HSA-qualified high-deductible health plans (HDHPs), deductible plans offered with a health reimbursement arrangement (HRA), and deductible plans with deductibles of \$1,000 or higher. 5. Milliman is among the world's largest providers of actuarial and related products and services. The firm has consulting practices in life insurance and financial services, property & casualty insurance, healthcare, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe. The authors of the Independent Review of Consumer-Directed Health Care Study, prepared for Kaiser Permanente, April 15, 2020, are members of the American Academy of Actuaries and meet the qualification standards for performing this analysis. Actual experience will differ from historical experience. View the [Independent Review of Consumer-Directed Health Care Study](#). 6. Savings were calculated based on a book of business assessment for all Kaiser Permanente fully insured large groups based on when employees switch to a Kaiser Permanente HSA-qualified HDHP. Note that Milliman reported that employers saved an average of 20.6% due to benefit changes for members that switched to an HDHP. After adjusting for other nonmedical expenses, we calculated the average net premium savings to be 18.5%. 7. Kaiser Permanente CDHC quality and engagement analysis was based on internal clinical data from January 1, 2017, through December 31, 2017. Data reflects 1,698 commercial groups for members in CDHC plans as defined for this study. National benchmarks: NCQA HEDIS 2018 (2017 data), National LOB, All Plans. 8. *Hospital Brand Equity Executive Brief* - 2019, Reaction Data, 2019. 9. NCQA's Private Health Insurance Plan Ratings 2019-2020, National Committee for Quality Assurance, 2019: Kaiser Foundation Health Plan of Colorado - HMO (rated 4.5 out of 5); Kaiser Foundation Health Plan of Georgia, Inc. - HMO (rated 4 out of 5); Kaiser Foundation Health Plan, Inc., of Hawaii - HMO (rated 4.5 out of 5); Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. - HMO (rated 5 out of 5); Kaiser Foundation Health Plan, Inc., of Northern California - HMO (rated 4.5 out of 5); Kaiser Foundation Health Plan of the Northwest - HMO (rated 4 out of 5); Kaiser Foundation Health Plan, Inc., of Southern California - HMO (rated 4.5 out of 5); Kaiser Foundation Health Plan of Washington - HMO (rated 4 out of 5). 10. U.S. Consumer Net Promoter Benchmarks, NICE Satmetrix, 2011-2019.