

*Executive Summary*

The Kaiser Permanente community benefit programs saw significant progress and growth in 2008. Highlights include:

- A 16 percent increase in Charitable Health Coverage programs.
- Funding for the first virtual school that will allow students from all over the world to learn from experts about patient safety and effective care from each other.
- The expansion of place-based Healthy Eating Active Living initiatives from 27 to 40 communities across the country.

Our community benefit expenditures in 2008 totaled nearly \$1.18 billion, an increase of approximately 12 percent over 2007, and equaled 78 percent of our operating income of \$1.5 billion.

### We Believe Everyone Has the Right to Quality Health Care

Our mission extends beyond our 8.6 million members. As one of America's leading health care providers and nonprofit health plans, we believe that everyone has the right to quality health care. Founded in 1945, our mission is to provide high-quality, affordable care to improve the health of our members and the communities we serve. Each day, we commit our resources to helping the most vulnerable people in our communities gain access to care.

Public programs like Medicaid and the Children's Health Insurance Program, and our own programs like Medical Financial Assistance, safety net partnerships, and Charitable Health Coverage, work together to create a web of access to high-quality care, particularly for those most in need. They fill coverage and access gaps, create high-impact programs, and inform public policy. As the recession loomed in 2008, we expanded access to our Charitable Health Coverage programs, with total membership topping 104,274 by year-end. All of our regions now offer at least

one charitable coverage program tailored to the unique needs of the local community. Additionally, in 2008, we provided care to 300,636 Medicaid and CHIP members—which is 24,008 more members than in 2007.

Since we can't meet the growing needs of the uninsured and underinsured alone, our safety net partnerships emphasize capacity development and the cultivation of evidence-based practices that are efficient and effective. By building toward a safety net system that provides coordinated, safe, and quality care, we are helping to support the needs of our communities.

Kaiser Permanente's continued partnership with the Institute for Healthcare Improvement provided 200 training scholarships in 2008 to clinical scholars from the safety net whose institutions would otherwise not be able to afford the expense of the trainings. We also worked with IHI to help create the first virtual or "open" school that will allow students from all over the world to learn from experts and each other about patient safety and effective care.

### Total Health in Mind, Body, Spirit—and Now, Planet

At Kaiser Permanente, we believe in disease prevention and health promotion, not only for our members and the communities we serve, but for the world around us.

Through our grants and partnerships with local organizations, we support comprehensive, sustained intervention to change a community's health. For example, our community health initiative for Healthy Eating Active Living is building parks and bike paths to promote walking and biking in communities across all of our regions. By building community gardens and nurturing farmers markets in communities lacking grocery stores, we improve people's diets, support sustainable agriculture, and reduce the distance between farm and fork. This not only promotes good health, but also reduces greenhouse gas emissions. Our employee engagement program also

includes park revitalization projects and cooperation with local environmental organizations.

In 2008, we sponsored intensive, place-based HEAL initiatives in 40 communities—up from 27 in 2007. In total, we invested \$20.1 million in 2008 in community health initiative grants for 1,181 organizations. Our regions also supported community health initiatives with extensive technical assistance, including obesity prevention expertise provided by our physicians and staff.

Environmental stewardship has become integral to Kaiser Permanente's business strategy and operations. During 2008, we established guiding principles, organizational operating commitments, and actions to improve the health of communities we serve. For example, our sustainable purchasing efforts support the health of members while reducing environmental damage.

- We use environmentally friendly, latex-free, PVC-free, nitrile exam gloves.
- We installed more than 100 acres of reflective roofing to reduce cooling costs.
- Over the past several years, we purged nearly 1,400 pounds of mercury from our facilities; and as of the end of 2008, we are 95 percent mercury-free.
- We also refurbish or resell approximately 44 percent of our electronic equipment. The remainder of the equipment is disassembled, so the components are fully recycled.

Most of our environmentally preferable product decisions are either cost-neutral or cost less than the more toxic products, supporting our commitment to providing affordable health care.

We are already making significant progress in our efforts to reduce our carbon footprint. We are finding safe alternatives to hazardous chemicals and materials, designing and building high-performance medical facilities, driving sustainability throughout our supply chain, and engaging employees and physicians in activities that reduce their impact on the environment. For our efforts to reduce waste and prevent pollution, we won 12 awards at Practice Greenhealth's global conference, CleanMed 2008.

### Spreading Health by Spreading Knowledge

One of the best ways to help keep more people healthy is to share the knowledge created by the assets of our organization. We create knowledge by nurturing scientific research, and translating research into clinical practice. Our findings contribute to science and medical practice, inform the training of the next generation of health care professionals, and empower our members with knowledge about their own health.

Last year, our researchers published more than 700 studies. These studies cover a wide range of topics and take advantage of the unique database of longitudinal-health information available only at Kaiser Permanente. The findings of this research in 2008 informed diabetes prevention and treatment, strategies for weight-loss management, and potential signals of the onset of dementia.

Our Research Program on Genes, Environment and Health is contributing to public health by taking the work of the Human Genome Project—describing the sequence of genetic information in great detail—to the next level by understanding how genes, behavior, and the environment interact to influence health.

### Education—A Powerful Tool for a Healthier Future

Educating the health care providers of tomorrow is essential to shaping the future of health care. Our medical residencies attract graduates from the top medical schools in the country. In addition to training in state-of-the-art medical offices and hospitals, fully supported by electronic health records, many residents have rotations at community clinics, where primary medical care services are provided for low-income families, the homeless, and other underserved populations. This gives residents a better understanding of the barriers that some communities have to health care, as well as the resources that could be available in a reformed, equitable health system.

Our Educational Theatre Program is a potent strategy for disseminating our clinically honed prevention messages to students, families, and their broader communities. ETP is free to schools and the community. During 2008, the program educated more than 557,000 children and 121,000 adults. Using live theatre, music, comedy, and drama, ETP engages kids, teens, and adults on a wide range of subjects, including healthy eating, physical activity, diversity, conflict resolution, dealing with grief and loss, sexually transmitted diseases, literacy awareness, and alcohol and tobacco.

Our employee engagement programs also spread health beyond our clinical environments. For example, on Martin Luther King Jr. Day nearly 5,000 Kaiser Permanente employees and physicians volunteered their time and skills at 79 sites across all eight of our regions, providing services that directly impact the lives of people in our communities.

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