

# Value Based Prescribing at Kaiser Permanente

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# Conflict of Interest Disclosure

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- Dr. Maisha Draves has no relevant financial or conflict of interest disclosures







**Value-based care  
has been the  
foundation of our  
industry-leading  
model for nearly 80  
years.**

At Kaiser Permanente, we're accountable to our members, customers, and communities. All health plan revenue is reinvested into our care delivery system, and we're able to realize the full potential of value-based care.

**\$1 trillion**

**Potential savings  
by 2027** if the entire  
U.S. health care  
system shifted to  
value-based care.\*

\*Abou-Atme et al., McKinsey & Co., December 16, 2022.

# Kaiser Permanente's integrated value- based approach



## Clinician Led Care

- Care and coverage are provided together.
- Physicians contribute to decisions about the value of care-**Quality and Safety first**
- Physicians decide therapy with their patients



## Cost of Therapy

- We do not charge ourselves extra fees for drugs
- Purchasing and Contracting are driven by Physician/Pharmacist evidence-based decisions



## No Conflict of Interest

- Physicians are free of conflict
- Formularies, preferred therapies, algorithms, and practice recommendations are evidence-based and written by physicians and pharmacists free of conflict



## Drug Savings

- Savings returned to Health Plan
- Cost effective with our resources by:
  - Adhere to formulary, algorithms, and practice recommendations
  - Drive performance to each provider across SCPMG and TPMG, once chair & chiefs decide
  - Follow clear evidence for clinical effectiveness and safety at individual prescriber level

# KP Formulary Process Fundamentals

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## REVIEW

conducted by Pharmacist Evidence Analyst and Strategist (PEAS)



## ENDORSEMENT

from physician specialists who will be prescribing this drug



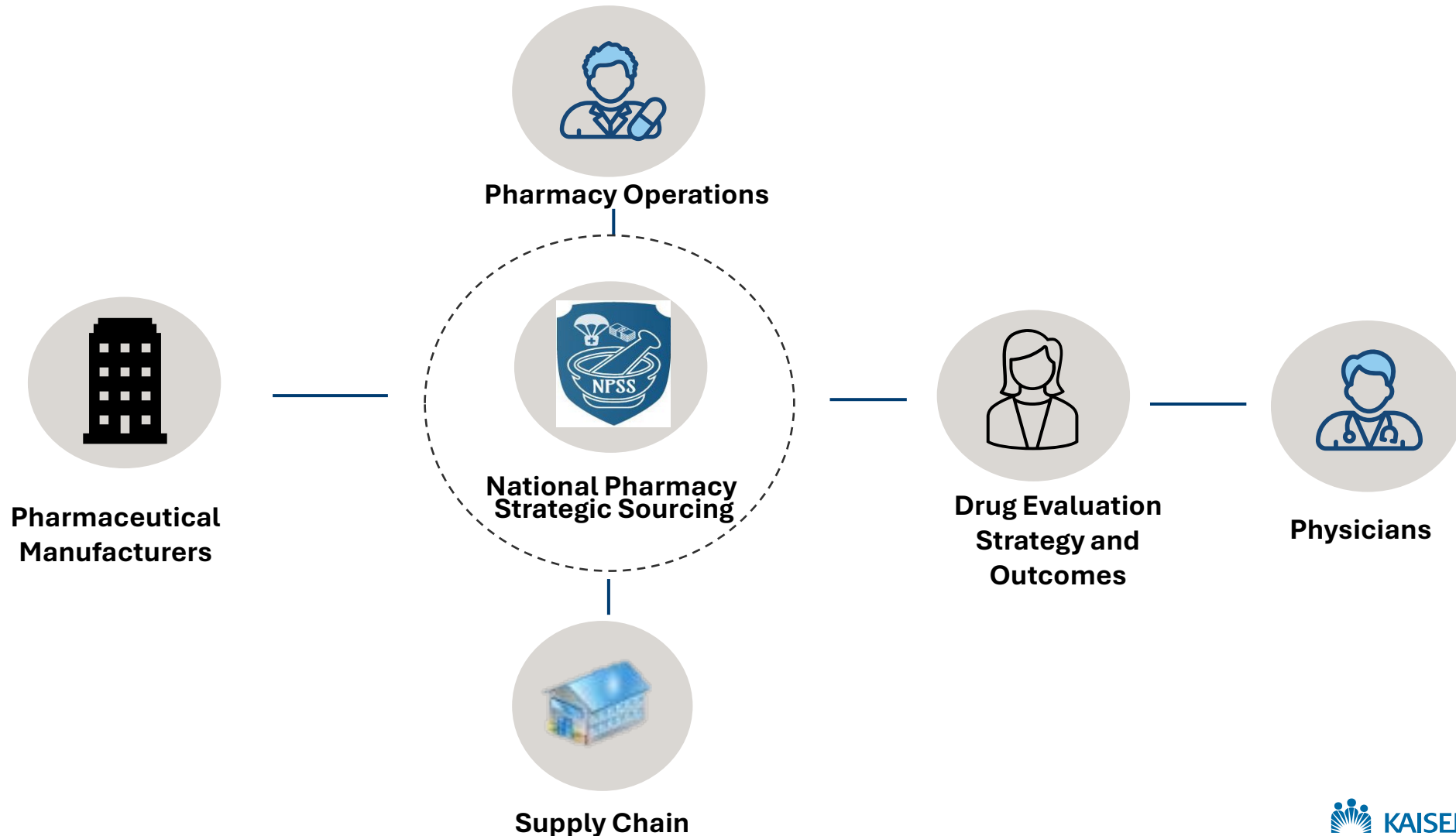
## DECISION

by Regional P&T Committees on formulary status and stipulations

- Physician-driven, **evidence-based** drug selection process
- Physicians contribute to decisions about the Value of care. **Quality and Safety first.**
- Collaborative work with Physicians Chiefs of Services Groups and expert consultants
- Purchasing and Contracting are driven by Physician/Pharmacist decisions. **Cost Effective.**
- Physicians decide therapy with their patients. **No paperwork/prior authorization.**

# National Approach to Pharmaceutical Contracting

Consistent alignment of preferred medications



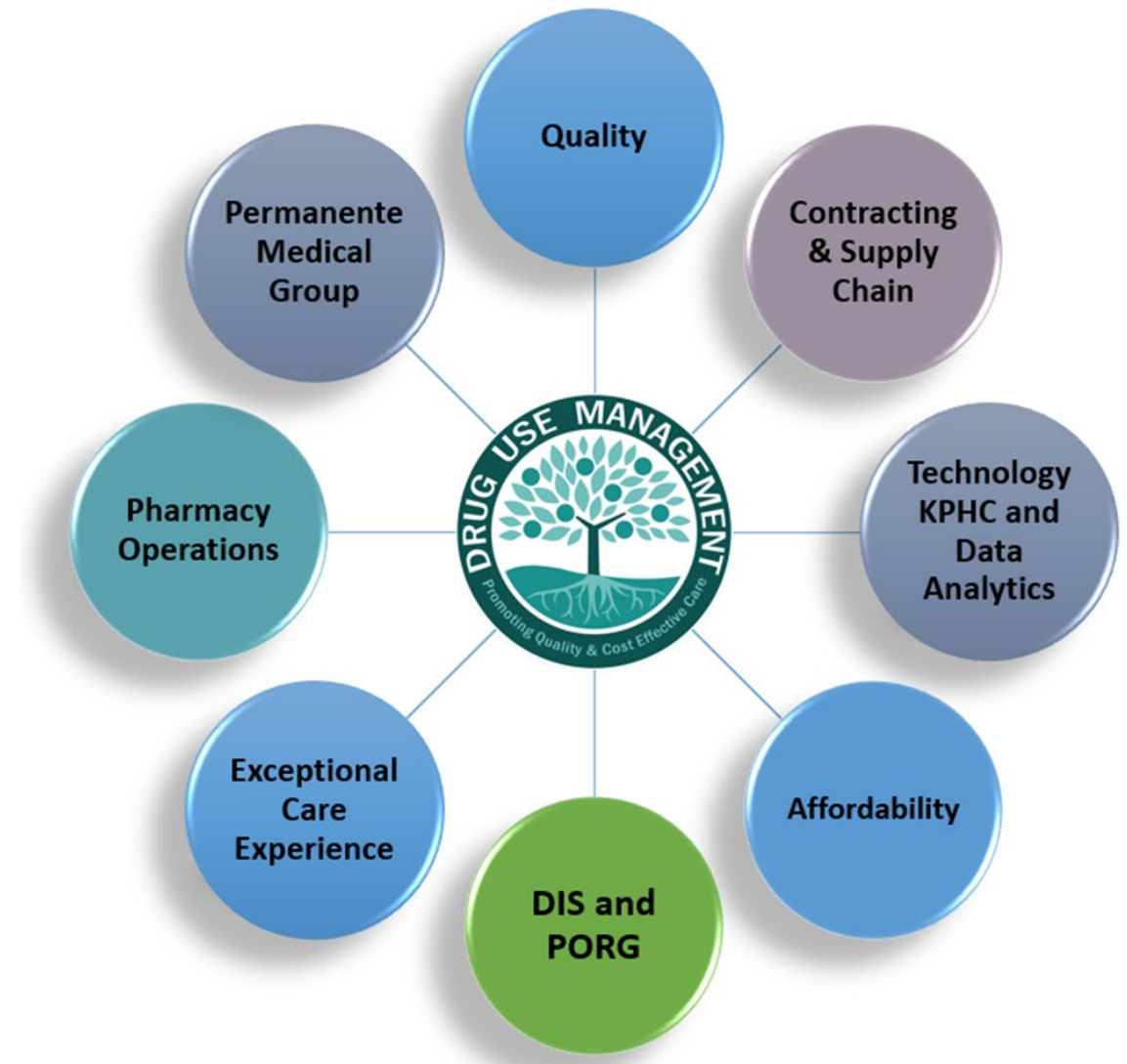
# Drug Use Management Approaches

## Formulary Review Process

- Evidence-Based Review
- Expert Physician Recommendations
- Guidelines Development
- Formulary Decisions

## Usage Management Strategies

- Academic Detailing and Education by DEC's
- Guidelines Application in KPHC
- Monitoring/Initiatives/Conversions
- Ambulatory Care Pharmacists
- KP National Specialty Pharmacy
- Medication Use Evaluations
- Emerging Therapeutics Strategy



# Upstream Approach

## Academic Detailing by Drug Education Coordinators (DEC)

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**Evidence Based Prescribing:** Helps clinicians adopt evidence-based prescribing practices leading to more appropriate medication use and improved patient safety

**Cost effectiveness:** Promotes use of cost-effective therapies without compromising quality of care

**Behavioral Changes:** Effective in changing clinician behavior, such as reducing use of unnecessary or harmful medications

**Rapport and Trust:** Personal and professional relationship built between physicians and DEC





# Clinical Pharmacists (Physician-extenders)

## GOALS

- Reduce medication therapy risk
- Optimize medication therapy
- Improve patient outcomes
- Focus on cost-effectiveness & value
- Increase member satisfaction
- Increase physician satisfaction

## Scope of Services

- Medication Care Services supporting:
  - Diabetes, HTN, Anticoagulation, Mental Health, Chronic Pain, and many more specialty departments
  - Medication adherence
  - New Member
  - Emerging Therapeutics
  - Drug Utilization Management
- 1.7M+ patient visits, 520K+ meds ordered, 570K+ labs ordered
- PGY-1 and PGY-2 residency programs



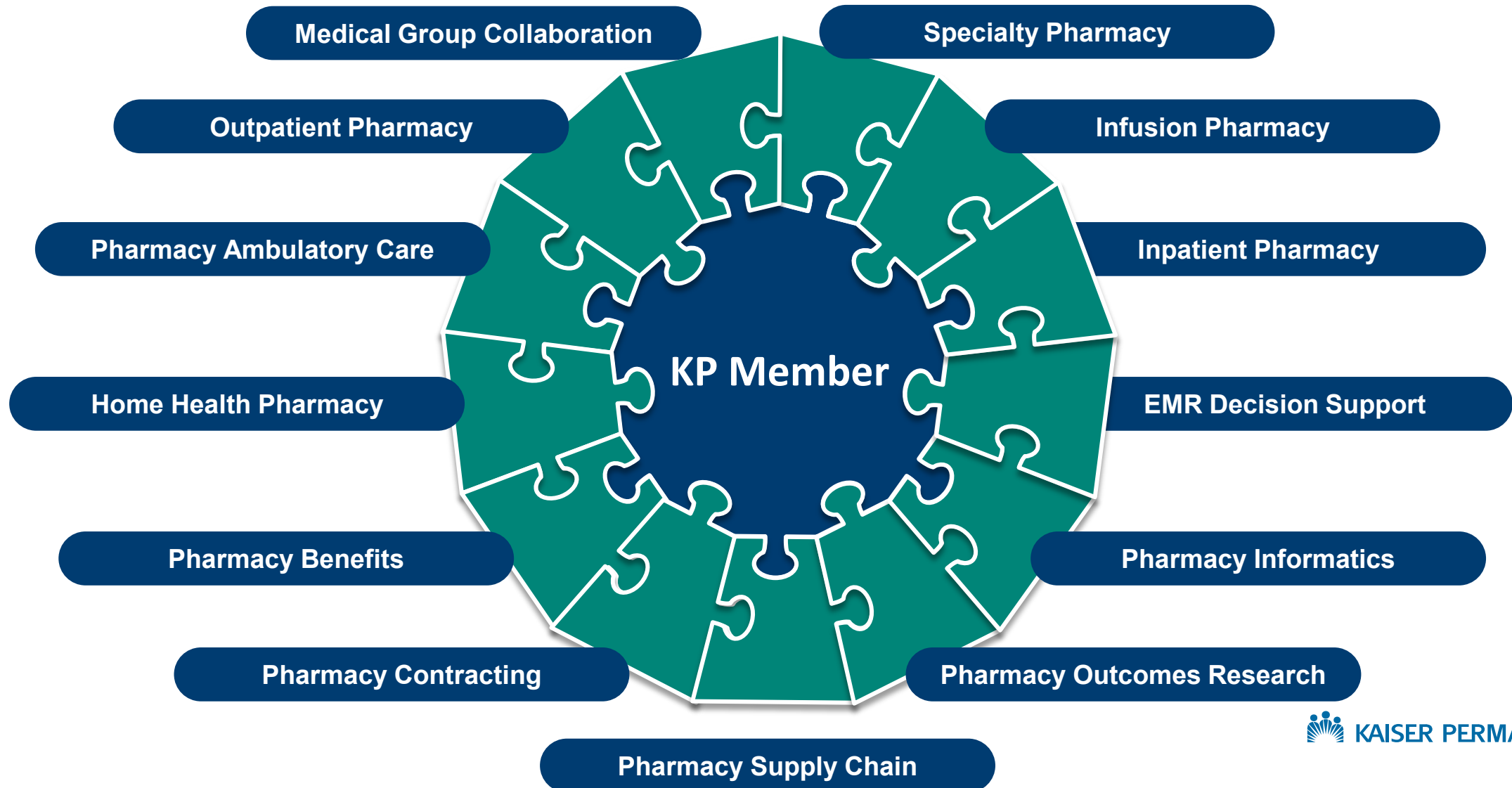
Pharmacists work under collaborative drug therapy management protocols with physician oversight. In accordance with policies and procedures a pharmacist may:

- Order or perform routine drug therapy-related patient assessment procedures including temperature, pulse, and respiration
- Order drug therapy-related laboratory tests
- Administer drugs and biologicals by injection pursuant to a prescriber's order.



# Pharmacy Integration at Kaiser Permanente

Our organization has all the pieces of pharmacy care delivery



# Pharmacy by the Numbers



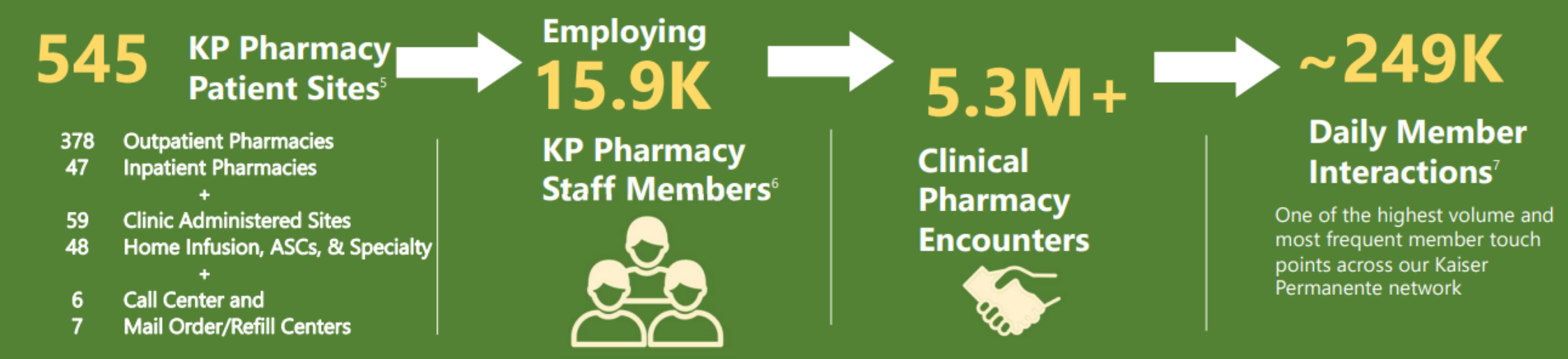
Our pharmacists and staff frequently serve as the final touchpoint and main contact for members throughout the care delivery journey.

Outpatient		Inpatient	Clinic Administered Medications
<b>107.2 Million<sup>1</sup></b> Total Sold Prescriptions [\$8.9B]		<b>70 Million<sup>2</sup></b> Doses Administered [\$0.52B]	<b>10.9 Million<sup>3</sup></b> Doses Administered [\$4.8B]
Local	Mail Order		
<b>61.5 Million</b>	<b>45.7 Million</b>		

**\$14.2 billion**  
in drug expenses<sup>4</sup>

  
**\$2.7 billion**  
in dispensing expenses<sup>4</sup>

## Our Member Reach



Note: (1) Data is for outpatient claims only (Jan – Dec 2024) (2) Inpatient internal claims based on MAR. (3) CAM internal claims only and may be lower than reality since not all clinic meds are documented correctly via MAR. Source: (4) KP Pharmacy Drug Expense and Dispensing Costs (Jan – Dec 2024)(National Pharmacy Finance); (5) KP Pharmacy Facilities Count (with KP Washington); (6) KP pharmacy Employee Counts - PeopleSoft as of 12/31/2024 = 15,890 (7) Total KP Pharmacy average daily number of members receiving medication [outpatient, inpatient, oncology/infusion], 2024

# Value-Based Care at Kaiser Permanente

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