Kaiser Permanente Physicians

KAISER'S DILEMMA: QUALITY or PROFITABILITY

Despite major efforts by physicians to make Kaiser Permanente (KP) the nation's premier healthcare provider, recent actions demonstrate that KP's administrators appear to be moving in the wrong direction. With profits of more than $10 billion since 2009, KP has no reason to compromise on quality care issues.

So how does one explain the following:

- **DMHC Fine**. Deficiencies in Mental Health Services. Kaiser Permanente was recently fined $4 million by the Department of Managed Health Care for its serious, systematic deficiencies in the delivery of its mental health services. The fine is the second largest in DMHC history.

- **RN Lay Offs.** After eliminating hundreds of RN positions in So Cal without opposition from "partner" unions, KP management is now trying to force nurses represented by the CNA in Northern California to accept the reduction of the number of RNs at the bedside despite the expected increase in KP enrollees when Obamacare takes effect in January 2014.

- **No Transparency to Plan Members.** KP management has spent hundreds of thousands of dollars lobbying against reasonable legislation, SB 746, which would require KP to disclose the same pricing information that other health plans already provide. That bill now awaits the signature of Governor Brown to become law.

- **DMHC Complaints.** KP has been the subject of more than 100 Enforcement Actions by the Department of Managed Health Care since January 2011, including more than twenty involving complaints regarding health care standards.

Bernard Tyson's message to KP Physicians: "Our next frontier is to tackle affordability with the same passion as we have demonstrated our mission on quality." On a daily basis physicians see the compromises that are being made to demonstrate "affordability," a euphemism for "profitability."

What role do physicians have in determining the direction of Kaiser? What role should they have?

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