KAISER PERMANENTE.

Contracts On-line – Saving Trees and Saving Money

Environmental and Human Health Impact: Reduced consumption of over 16 million pieces of paper per year. Business Impact: Savings of over \$500,000 per year due to the eliminated need for printing and mailing services for printed contracts.

Challenge

In the past few years, Kaiser Permanente has responded to the needs of the marketplace by increasing our health plan product offerings. This diversification has resulted in a 40 percent increase in the size of the contract since 2006. Growth in contract size has led to a scenario where a single contract can now range from **100 to over 2,000 pages.** The production of such large contracts was in conflict with KP's ongoing work to become better stewards of our natural resources and to provide the best health care at the best value.

<u>Aim/Goal</u>

To reduce the financial and environmental cost of health plan contracts by putting contract information on-line instead of on paper.

<u>Team</u>

Executive Leadership

Jerry Coy – Senior VP, Customer Service, Southern California Jerry Fleming – Senior VP, National Health Plan Manager Arthur Southam – Executive VP of Health Plan Operations

Project Lead

Jon Geary – Senior Operations Manager, Membership Administration

Process Improvement Team

Robin Dougherty – Systems Consultant

Audrey Young – Process Manager, Health Plan Process Administration Nicky Rattisatein – Associate Program Manager, Health Plan Process Administration

Danny Sim – Sourcing Manager

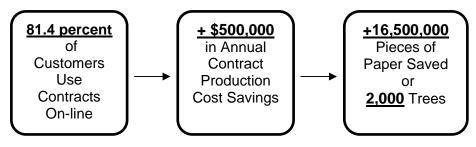
Actions Taken

- At the end of 2007, the Senior Operations Manager of Membership Administration presented idea of putting contracts onto CDs and online, and was given approval to present it to Regional Leadership. Leadership representatives gave further approval to proceed with the conversion.
- ✓ A team was formed that consisted of IT and regulatory personnel, owners of contracts with customers, and communications.

- ✓ The team determined the cost to modify and transition files and communicate with stakeholders about the CD and online option would be recovered within a few months of implementation.
- The team realized that the contract terms with the existing supplier for health plan contract production and distribution was built off of the actual production of paper contracts.
- Procurement & Supply was brought in to renegotiate the contract to allow for progression with the transition.
- ✓ The conversion of documents, communication with stakeholders, and deployment was completed in December of 2008, six months after the formal launch of the project.

Results

The environmental impacts"



Lessons Learned

- ✓ It is possible to do an important project in only a few months with little investment, and realize a big result.
- \checkmark It is critical to get senior executives on board with a project early.

Next Steps

 Continue conversion of final19.5 percent of customers from paper and CDs to online contract access and viewing.