

R Communications

To

11/06/2006 05:55 PM

cc

Subject: An Important Message From Benjamin K. Chu, MD, president, KPSC

Please respond to R Communications

This is a broadly distributed message. Please do not reply.

A message to KPSC staff from Benjamin K. Chu, MD, president, Kaiser Permanente Southern California Region

You may be aware of an e-mail issued last Friday by a KPSC employee who raised a number of concerns about our KP HealthConnect system. Below is a response to that message from Program Office's Lon O'Neil, senior vice president, Human Resources. Please feel free to share the information contained in this message with others who may have questions about last Friday's e-mail, but may not have received this information.

Please remember that any media or outside caller inquiries concerning this issue should be referred either to Mike Lassiter, Program Office Media Relations (Mike.Lassiter@kp.org, 510-271-6676), or Matthew Schiffgens, Program Office Issues Management (Matthew.Schiffgens@kp.org, 510-271-6813).

Thank you.

The following is an important message from Lon O'Neil, Senior Vice President, Human Resources.

You may have received an email from an employee concerning the selection and viability of the Epic software system. The person who sent the email works in one of our medical centers. His job is to track employee completion of training programs.

I am writing to provide you with Kaiser Permanente's response to issues raised by the employee to assist you in responding to questions from your team members who received the email. You may forward this email to your team members if you feel there is a need for further clarification.

In the email, the employee claimed that a decision in 2002 to change software vendors was contrary to internal engineering reports. He also says the decision was influenced by alleged conflicts of interest on the part of senior management, and is placing undue financial burdens on our organization.

The employee first made these same charges in August of this year. They were fully investigated, first by Compliance and then by the Health Plan Legal Department. The

investigation findings were reviewed with our Board of Directors, as is our standard policy.

Our investigation found that the decision to change vendors was made in an open and inclusive process and was based on extensive technical and financial studies. The decision was also made based on the fact that the new system contained extensive and badly needed functionality and capability that had not been designed into the prior KPCIS system. No conflicts of interest were found at any level.

More than two dozen other health care organizations such as The Cleveland Clinic, Geisinger Clinic, and Evanston Northwestern Healthcare have also fully adopted the same software solution. National surveys rate the Epic system as number one for both clinics and hospitals. As with the implementation of any new, large and complex system, such as KP HealthConnect™, some roll-out problems are to be expected. These problems are being addressed as they arise.

The employee was provided with a written response and then given the opportunity to provide any other information he might have regarding either technical or conflict-of-interest issues. He has not availed himself of that opportunity. He has also not made use of other appropriate channels, but has instead chosen to send a large, group message that clogs the email system.

As you are aware, there is a strict policy that prohibits the sending of broad distribution messages without the proper approvals. However, we always encourage employees to voice concerns through appropriate channels, including our confidential Compliance Hotline at 1-888-774-9100. Thank you.