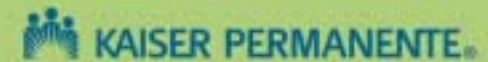


# **Kaiser Permanente's Brand Advertising** **—*Frequently Asked Questions*—**

***For Physicians and Staff of the Permanente Medical Groups***  
***July 2004***

# What is the rationale for the ad campaign?



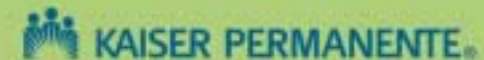
## ***“Why are we launching a new advertising campaign?”***

Last year Program membership declined by more than 150,000. This was due to several factors, including increased product offerings by competitors, employers shifting health care costs to employees and an uncertain economy.

To address these issues, KP must stay focused on two critical areas: price position in the marketplace and membership growth through existing and new products. As such, we need to maintain a cost structure that supports our position in the marketplace and allows us to offer competitive services.

All regions, often in partnership with union leaders, are addressing the first priority and reducing costs through difficult and heroic measures. The ad campaign focuses on growing membership, and requires that we make an investment into broadcasting our story to the market.

# What is the rationale for the ad campaign?



## ***“What is the rationale for our new approach to brand advertising?”***

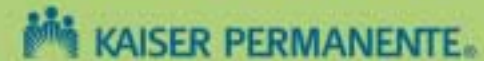
This campaign is designed to increase the number of people willing to consider membership in KP and combat negative perceptions of the organization by clearly taking a stand for health – total health.

Going back to our roots, we are emphasizing our original ideals to help members avoid illness as the primary means to keep them healthy, as well as taking good care of them when they get sick.. We have conducted research that shows this mission resonates with today's consumers, who think of "health" as much more than sick care.

KP's proposition of care in times of "health" as well as "sickness" is unique in our industry and differentiates us from the competition. Yet many non-members hold a negative opinion of KP which is largely based on our lack of a strong and consistent voice in the general consumer market - currently, the competition and urban legend are shaping our story. We believe this campaign will enable us to control our voice, ultimately bringing us more members and allowing us to continue to provide the high-quality services we offer at affordable rates.

KP has always believed in an approach to care that emphasizes wellness at every stage of life. Yet we have never presented this to consumers in a way that was not associated with “health care” and disease management. The new ads communicate that KP stands for total health and empowering employees, physicians, members and potential members to maximize their well-being and live a happier, healthier life.

# What is the rationale for the ad campaign?



## *“What is the purpose of each of the four ads that launch on August 2?”*

### *“Anthem” or “Broccoli”*

- Create a new image of KP in the minds of “Health Seeker” consumers who:
  - Are **well-informed and proactive** in managing their own health
  - Are **cynical** about what health care in general and KP specifically
  - Want a **partner and advocate** in the pursuit of better health
- Establish a broader perspective – **“health,” not “health care”** – especially preventive medicine

### *“Swimmer”*

- Demonstrates that KP forms a partnership for life with consumers – we support them at all stages of their lives

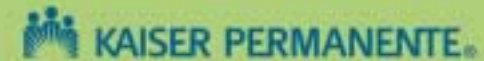
### *“Another Day” or “Entourage”*

- Break through non-members’ concern about having a relationship with an MD at KP  
Illustrates a relationship with a physician as well as a medical team and a wide array of resources

### *“Viva Bien”*

- Create a new image of KP in the minds of Latino “Health Seeker” consumers who are **concerned about what health care can do for them and their family**

# Possible concerns and questions from Permanente physicians and staff



## ***“These ads must be expensive. How can we justify spending the advertising dollars when resources are so tight in our facilities?”***

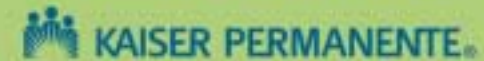
- Yes, the campaign is expensive – about \$40 million for the next 12 months (the average 30-second commercial during prime time costs \$116,000).
- It is ultimately even more expensive to let opinions of our brand languish or deteriorate with non-members.
- As with other major investments, such as KP HealthConnect, KP is investing in the advertising campaign with the expectation of a future financial return – in increased membership and revenue as a result of increased brand loyalty – that will far exceed the initial investment.
- Future fees for our marketing agency will be tied to the success of the campaign.

## ***“We know alternative services are available through Kaiser but it takes an act of God to get acupuncture...”***

## ***“My patients are going to ask a lot of questions about alternative therapies that may not be covered, like chiropractic.”***

- Statistics show that 40% - 50% of patients are already pursuing alternative therapies on their own (herbs, supplements, etc.).
- Opening up dialogue on these issues between physician and patient will probably be productive.
- KP is negotiating a national “affinity program” which would provide discounted access to alternative therapies for KP members.

# Possible concerns and questions from Permanente physicians and staff

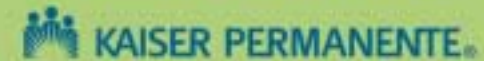


## *"Does the Broccoli ad create an implied commitment by KP to provide specific services and treatments expressed in the ad?"*

No. Courts and government agencies would look at the **total context** of the ad (words, images, and tone) from the viewpoint of the **reasonable consumer**. It is unlikely that a reasonable consumer would interpret the ad as a promise of services or benefits because:

- The ad is clearly a statement of KP's beliefs and philosophy rather than a list of covered benefits or services. The ad does not specifically prompt the viewer to become a KP member. In fact, the language in the ad does not mention a "plan" or "coverage" at all.
- A reasonable consumer would not conclude that KP covers everything mentioned in the ad. The ad mentions some things that a health plan conceivably might provide (pilates, music therapy) but just as many things that no health plan would provide (laughter, seat belts, broccoli).

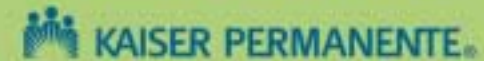
# Possible concerns and questions from Permanente physicians and staff



***“Will the ad prompt a patient to walk into my office and ask for a referral for a service like music therapy or pilates? If so, what do I say?”***

- Viewers of the ads will understand that the ads are not intended as a literal list of services and treatments provided by Kaiser Permanente, especially since the ads reference “laughter”, “seat belts,” and “broccoli” as aspects of the total health that KP espouses.
- If you encounter the rare patient who takes the ads more literally, you can explain that many of the activities referenced in the ad are intended to be part of **member self-care** rather than **services covered by KP insurance and provided at KP facilities**.
- ***Example: Questions on “music therapy”***
  - The ad campaign in fact does not endorse music therapy; it endorses only the use of music as therapy.
  - The difference is that “music therapy” is a specific kind of professional treatment with specific certification and credentialing processes and partisan claims for medical effectiveness in several specific disease states, both physical and mental. “Music as therapy” implies that listening to music can help people feel better, and doesn't refer to any specific kind of treatment.

# Possible concerns and questions from Permanente physicians and staff

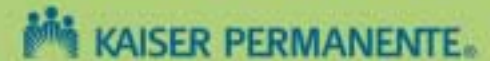


***“The company portrayed in these ads is not the KP that I know. We spend most of our time taking care of sick people. And KP doesn’t do much to help its own employees ‘thrive,’ either. Do we really live up to the slick marketing image in these ads?”***

<b>KP’s history</b>	Prevention and wellness medicine have been part of our core values since 1945. We defined the original meaning of a Health <i>Maintenance</i> Organization.
<b>KP’s leadership in preventive and wellness medicine</b>	KP has received major national publicity in recent years for its performance on quality measures compared to other health plans in the areas of preventive medicine: KP NCAL – Heart disease no longer the #1 cause of death; KP CO – Nationally renowned program in mammography
<b>New tailored on-line health tools</b>	Tools reviewed and approved by Care Management Institute which help members take control of their health in the areas of nutrition, weight management, stress, and smoking cessation
<b>Existing health education classes at KP facilities</b>	KP has been a leader in designing and providing health education to both KP members and the general public in the communities they serve.
<b>National affinity programs (currently under negotiation)</b>	Discounted access for KP members (including employees) to acupuncture, massage, chiropractic, and fitness clubs. <i>Already offered by all of our competitors; associated with health in minds of our “Health Seeker” target market</i>
<b>Employee wellness</b>	A number of initiatives are underway including interactive Web-based wellness tools and 10,000 Steps to promote physical activity
<b>Workplace Safety</b>	Comprehensive national effort to reduce KP workplace injuries



## How can you find out more?



For videotapes and CDs  
on “The Making of ‘Thrive’”  
and the ads:

Kim Nguyen-Gallagher  
8+423+5701 or (510) 271-5701

For more information on the  
“Thrive” campaign:

Thrive web site, live July 12  
Accessible from [kp.org](http://kp.org)