Critical Case: How an Email Rant Jolted a Big HMO

A 22-Year-Old's Tirade Made Trouble for Kaiser; Mr. Deal Got Fired, Famous

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April 24, 2007; Page A1

LOS ANGELES -- On a Friday morning last November, Justen Deal, a 22-year-old Kaiser Permanente employee here, blasted an email throughout the giant health maintenance organization. His message charged that HealthConnect -- the company's ambitious $4 billion project to convert paper files into electronic medical records -- was a mess.

In a blistering 2,000-word treatise, Mr. Deal wrote: "We're spending recklessly, to the tune of over $1.5 billion in waste every year, primarily on HealthConnect, but also on other inefficient and ineffective information technology projects." He did not stop there. Mr. Deal cited what he called the "misleadership" of Kaiser Chief Executive George Halvorson and other top managers, who he said were jeopardizing the company's ability to provide quality care.

"For me, this isn't just an issue of saving money," he wrote. "It could very well become an issue of making sure our physicians and nurses have the tools they need to save lives."

Mr. Deal signed the email. Before sending it, he says, he printed out a copy and handed it to his boss. "She gave me a look like, 'I think you're going to be fired,' " he recalls. Soon afterward, his office phone was ringing off the hook. IT staffers later arrived to seize his computers, and Mr. Deal was placed on paid leave from his $56,000-a-year job.

Kaiser refutes Mr. Deal's assessment of its custom software system, developed by Epic Systems Corp. The company says HealthConnect is doing fine despite some missteps. Ultimately, the company fired Mr. Deal, who worked on patient-education booklets and provided technical support to his department.

But the email episode shows that, in the digital age, flicking away
whistle-blowers isn't as easy as it once was.

After the message hit, Kaiser sprang into action to assess the damage and figure out a response. Since the missive was sent on a Friday, it went unread by many employees who had left for the weekend. Kaiser's IT staff scrambled to delete it before workers returned to their desks -- but with little success. By Monday, the mass mailing had reached an estimated 120,000 computers at the company. It had also leaked into cyberspace.

On Monday, Mr. Halvorson sent his own Kaiser-wide email dismissing Mr. Deal's unfortunate combination of partial facts, old data, incomplete data, 'conspiracy naiveté.'

Earlier during the day, Kaiser had announced that J. Clifford Dodd, its chief information officer, had resigned. The HMO said the timing was a coincidence and gave no reason for departure. Attempts to reach Mr. Dodd for comment were unsuccessful.

Mr. Deal, meanwhile, quickly became a cause celebre in the blogosphere and popular health-care IT site, featured "an exclusive interview," with Mr. Deal. It says that Kaiser's tribulations could alter the competitive landscape for IT vendors.

Soon after the email leak, ComputerWorld magazine ran a negative story about Kaiser based on a 722-page internal Kaiser document chronicling various problems including power outages, system failures and incomplete patient records.

That article prompted the California watchdog agency that oversees managed care to send Kaiser an inquiry letter in January about HealthConnect's reliability. The agency is monitoring the system's performance, but is satisfied that Kaiser has taken "appropriate action to address the issues that the report identified." Andrew Wiesenthal, a physician overseeing the HealthConnect project, became the buzz Mr. Deal was generating. In a counterpunch, he offered an interview with a well-known health-care blogger. A few days later, Mr. Wiesenthal joined Mr. Deal in a backseat of a taxi. Of the email, he said, "Most of the things he said are true."

Kaiser officials unleashed other communications tactics. To disseminate its side of the story, the company paid Google to place a special Kaiser link at the top of search results for "Justen Deal."

In February, Kaiser launched its "KP News Center," linked to the company's site on the Los Angeles Times ran a critical HealthConnect story that echoed some of criticisms, the site posted Kaiser's official response.
Mr. Deal, a well-dressed young man who constantly sweeps his sandy hair across his forehead, has been known to go against the grain. As a teen in West Virginia, he testified in support of gay rights and was mentioned in a front-page Washington Post story. After dropping out of high school and later dropping out of college, where he studied journalism, he moved to Los Angeles to work for a gay-rights group in Ottawa. While at Kaiser, on his own initiative, he edited Kaiser's online encyclopedia Wikipedia.org -- until a public-relations executive asked him to stop. Known to embellish Kaiser's list of estimated savings, he also got into skirmishes with a company based in Ottawa over criticism about the HMO on the site.

His research led him to question the integrity of Kaiser's selection of its IT vendor. He accused Mr. Halvorson of mismanagement and Mr. Dodd of undiscloseable information that led to the selection of Epic, the outside vendor. "Their poor decision-making process is threatening to put us at risk of a catastrophic failure," he wrote in a letter dated January 6, 2005, addressed to the company's chief compliance officer as well as to each of Kaiser's top executives.

A company investigation ensued. Kaiser's assistant general counsel sent Mr. Deal a letter dated January 19, 2005, that "a thorough investigation" found no evidence of misconduct by the executive team. Kaiser fired him on Jan. 11. A company spokeswoman says he wasn't dismissed for the Apple computer order but "rather because he violated numerous company policies, including an unauthorized order for three Apple laptops that he converted to his own use." The order was approved by superiors in his department.

These days, Mr. Deal helps friends with their computers and is looking for a job. He was named "IT Industry Figure of the Year" by HIStalk, based on an online readership poll conducted by the site. Both he and Mr. Halvorson were asked to participate in the Healthcare Blogging Summit set for this month in Las Vegas. The CEO of Kaiser Permanente fired Mr. Deal despite the lack of evidence of misconduct.

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