



Angela F. Braly

Health Care Value

**An Interview with Angela F. Braly,
Chair, President, and Chief Executive Officer, WellPoint, Inc.**

It's critical to the brand, because sometimes people think that health insurers just pay claims. Last year, all the claims we processed for the federal government and others added up to almost \$200 billion. Clearly, the administration of those is something we do well.

But health care value is at the heart of the equation; access to affordable quality care is what we're all after. The heart of our business is about how we get there by creating the best health care value in the industry.

So we have over 3,000 doctors, nurses, and clinical professionals who engage with our customers on a lot of different issues relating to their health. We're in the center of the health care equation, because we have our customers and we have relationships with hospitals and doctors. We also have all the information about what their needs are. So we're uniquely positioned to work on that problem.

If you look long term at our industry, we bent the trend in the late '80s and early '90s, and since that time, people made choice the priority, which caused great inflation. So now we're looking at payment innovation – the way we pay doctors, nurses, and hospitals – and we're aligning our incentives so we can find value or remove waste in the system and create more value for our customers.

There is so much good this industry does and you're there when people need you, but that positive message doesn't always get across. Does that ever frustrate you?

We hear from customers who we are taking care of every day, and we're meeting their needs and finding the solutions that work for them.

If we processed \$200 billion worth of claims a year ago, those are \$200 billion worth of health care services delivered.

So sometimes controversy is what people cover, but our mission is to improve the lives of the people we serve and the health of our communities, and we see it day in and day out.

We're doing something personal and important in people's lives.

Was the dialogue around health care reform the right one and is true reform possible?

We're on a journey. We all want access to quality, affordable health care and there is a lot of discussion about how to get there.

Our job here is to make health care reform work for our customers and it is critical that we remain focused on that customer. There is going to be a great deal of confusion among our customers about what health care reform means for them.

So our job is to think about what happens to the consumer, the individual, in this health care equation – how they might act when presented with these options, what it might mean for them in terms of their health, and what it might cost in terms of affordability.

There is much that we have been doing to implement health care reforms thus far and we're going to continue to stay focused on that customer as the regulations continue to unfold.

But we'll learn from that experience and bring that information forward so if change needs to happen, we're part of that evolution.

How broad is your customer profile and does it reach across a number of different segments?

We have a diverse portfolio of business segments, from the individual member who buys a policy directly to an employer group who buys policies for their employees to government agencies who provide benefits for their beneficiaries.

But in all cases, our focus and core value is customer first and the customer is that human being who I expect will be interacting with the health care system in ways he never has before. For instance, post reform, people will have opportunities that they may not have had before to buy a health insurance product directly.

In your competitive landscape, how do you show what makes your brand unique?

We have an incredible opportunity to do that because we are Anthem Blue Cross and Blue Shield, Blue Cross and Blue Shield of Georgia, Empire Blue Cross Blue Shield, Anthem Blue Cross California – the heart and soul of that is the Blue Cross Blue Shield. That has such incredible brand value and there is so much power in being Blue. Not only do people view it as health care security, but also some generically think health insurance is Blue Cross Blue Shield.

What differentiates us from others comes from our mission to improve people's lives and the health of our communities.

We are now the nation's largest health benefits company with 34 million members. We cover 14 states, and in each in which we operate,

EDITORS' NOTE Angela Braly was named President and Chief Executive Officer in June 2007 and assumed the role of Chair of the Board in March 2010. Prior to becoming CEO, Braly served as Executive Vice President, General Counsel and Chief Public Affairs Officer for WellPoint. She also managed WellPoint's National Government Services subsidiary. Braly was previously President and CEO of Anthem Blue Cross and Blue Shield in Missouri. She joined Anthem Blue Cross and Blue Shield in January 1999 as General Counsel after serving for several years as a lawyer in private practice. Braly additionally serves on the board of directors of Procter & Gamble, the Blue Cross Blue Shield Association, and the National Institute for Health Care Management. In addition, she is a member of Business Roundtable and The Business Council. She received her juris doctor from Southern Methodist University School of Law and her undergraduate degree from Texas Tech University.

COMPANY BRIEF WellPoint, Inc. is the nation's largest health benefits company in terms of medical membership, with approximately 34 million Americans nationwide covered through its affiliated health plans. WellPoint offers leading health benefits plans as well as specialty products and services designed to provide quality and value to its customers. In 2010, WellPoint generated operating revenue in excess of \$57.8 billion and employed approximately 37,500 associates. WellPoint primarily does business as Anthem Blue Cross, Anthem Blue Cross and Blue Shield, Blue Cross and Blue Shield of Georgia, or Empire Blue Cross Blue Shield. WellPoint (www.wellpoint.com) also serves customers throughout the country as UniCare.

WellPoint has put a major focus on the connection between health care and value. How have you defined that connection and what does it mean to the brand?

our leadership and our associates are all local. We have 37,500 associates across the country, but if you are in Virginia and are engaging with Anthem Blue Cross and Blue Shield, you are able to benefit from the fact that our Virginia Plan President knows the Governor, the insurance commissioner, and the President of the hospital, and that he was out in the community on Community Service Day. We have a local delivery model and health care is very local, so we connect to the members in a unique way.

But we also have the scale of this large organization, and scale and efficiency are so important to driving affordability.

So we have something no one else has and that's our ability to connect with the member at a very local level.

WellPoint has an innovative culture, but when you get to a certain size, how do you avoid losing that innovation edge?

We have some unique opportunities to innovate, especially now. For example, we have an intense strategic focus on payment innovation. We are partnering with doctors and hospitals in new ways to create new kinds of organizations called accountable care organizations or patient-centered medical homes and have created new contracts called bundled-payment arrangements.

Being in the position that we're in, being Blue and serving so many members, we have an obligation to be a leader in innovation.

Elsewhere within the organization, we have to create structure around the opportunity to innovate. There are opportunities we believe will be transformational growth opportunities based on our awareness of what consumers' needs are going to be in the future, particularly after health care reform is more fully implemented.

There are going to be access issues, so we need to create innovative ways to engage with the member with technology, and through anywhere, anytime care, which can be virtual.

So because of the size of our organization and our focus on delivering on a day-to-day basis, we have to protect those innovative business opportunities and we do so by keeping our people focused on innovation and continuous improvement, and trying to make sure the core businesses don't impinge upon our going after new ideas.

How do you balance the value technology can have while making sure you don't lose the human part of the business?

This relates to the diversity of customers in our business segments. Some might want to have everything automated. But on the other hand, we might have a segment, like the senior population in our Medicare Advantage products, where the Interactive Voice Response (IVR) system –where you get a voice and have to push buttons on the phone to get anywhere – is a dissatisfier; they want to call and talk to a human being. So

we took down the IVR so a senior member can get right through to a customer service person. The satisfaction levels have grown tremendously because of that.

A real indicator of a business's success is using the technology in a way that is most meaningful for the customer.

Will the landscape of the business, in terms of the states where you operate, remain consistent or is there opportunity to grow?

We have a unique opportunity to consolidate over time with other Blue plans. That is what created WellPoint – we were 14 separate companies that came together over time.

■

**In all cases, our focus
and core value is customer first
and the customer is that human being
who I expect will be interacting
with the health care system in
ways he never has before.**

■

We partner now with other Blue plans through a national program we call BlueCard that can be used anywhere, whether you get your Blue Cross coverage through WellPoint or another Blue Cross plan.

We have an online transparency tool where you can see how much a colonoscopy or any of the 59 listed procedures costs at one hospital versus another. We call that Anthem Care Comparison and the Blue Cross system adopted it as the system-wide transparency tool.

So there are lots of opportunities for us to cover the whole nation. The Blue Cross system already covers one in three Americans. So that scale is powerful and it's tied to the very valuable Blue Cross Blue Shield brand.

How critical is corporate responsibility and community engagement to the company, and how do you focus your efforts in that area?

In our business in particular, we have an inherent purpose-driven culture, because our mission is so personal: improving the lives of the people we serve and the health of our communities. Many of our associates would tell you

they're here not only for a job but because they believe in the mission.

We're organized the way we are so we can be local and a part of the community. We recently held Community Service Day and had thousands of associates across the country working to make a difference in their local communities.

Our ability to be local and engaged is the fiber of who we are.

How critical has it been to build a workforce that mirrors the diversity of your members and to build an inclusive environment?

Diversity is about reflecting who your community is, whom you're serving, and why you're there, so it applies to every part of your business. It is one of our core beliefs that if you reflect the diversity of the community in which you live and the people that you serve, you will be better at it and you will create more value for them.

Like innovation, there are times you have to create structure to let these concepts flourish. For example, we have associate resource groups that reflect our African-American, Asian, Hispanic, women, lesbian/gay/bisexual/transgender, and military veteran associates, and other groups who come together and bring us real issues that relate to their communities. We learn from that information that these individuals are going to engage with us in a different way and that they want different kinds of information regarding issues that relate specifically to their cultures.

Our relationships with diverse suppliers have also been incredibly important to us as they interact with our community.

How do you define what makes a successful CEO today and what are the key areas that are most important in leading the company?

You need to share your values with your team so they can follow you as you lead them towards the goals that you've created through your strategy and mission. So you have to know who you are and be willing to share with people what is important to you, which brings us back to our mission and core values, and you need to be clear about what those objectives are.

In terms of the dialogue on regulation today, are the voices of business leaders within the industry being heard and do legislators understand the thoughts and vision of those running the businesses?

Yes, and what we bring to that conversation, which is so important, is our focus on the customer. People have different responsibilities and may be focused on different things, whether it's policy or politics or logistics. But what business does is figure out the need of the customer and how to satisfy it. So if we take care of our customer, everything else follows. ●