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**Statement Of Anthem Blue Cross And Blue Shield Of Connecticut  
 On**

**SB 1022 An Act Concerning Guaranteed Issue For Individual  
 Health Plans**

Good afternoon Senator Crisco, Representative Fontana and Chairs and members of the Insurance, Public Health and Human Services Committees. My name is Dr. Peter Bowers and I am the Director of Medical Management for Anthem Blue Cross and Blue Shield in Connecticut. I am here today to speak on behalf of Anthem on the very important healthcare reform legislation that is before you today. By way of background, prior to joining Anthem I was a practicing physician in the field of Pediatric Cardiology with Yale-New Haven Hospital so I come here today with two different perspectives in the healthcare industry.

The urgency of the health care crisis in today's economy calls for thoughtful, sustainable solutions. As one of the state's leading health benefits companies, Anthem Blue Cross and Blue Shield has real-world, proven solutions to share. Anthem Blue Cross and Blue Shield, in tandem with our parent company, WellPoint, is currently advancing strategies to improve health care quality, which can help better manage costs and improve insurance coverage for our 35 million members. By working together with the government, employers and providers, we can build a health care system that is accessible to all and which provides quality care for those who need it most.

The strength of any health care reform plan will be measured by the sum of its parts. We believe that enacting strategies to improve quality and control costs is essential to building a health care system that works for all Americans, both now and in the future.

**Improving quality, helping manage costs**

There are many opportunities to improve health care in this country, as we are far from having a system that provides the right care at the right place at the right time. Building on six principles, Anthem Blue Cross and Blue Shield has identified solutions that will help deliver better health care while helping to reduce costs:

- Promote evidence based medicine and determine real-world outcomes
- Advance health care quality by disseminating information throughout the system
- Focus on prevention and manage chronic illness
- Improve effective use of drug therapies to prevent and manage illness
- Promote strategies to reduce medical errors and adverse drug events

*Our plan is to keep you healthy.™*

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- Reduce costs through eliminating fraud, reducing costs related to litigation, and improving administration

Some examples of key programs we have built upon these principles to improve quality for our members and better manage their costs are the following:

- *Anthem Care Comparison* - We are committed to helping our members take control of their health and play an active role in health care decision-making. Anthem Care Comparison provides transparent quality and cost information for thirty-nine common medical procedures and services. The tool displays total costs for an episode of care using actual hospital, physician and ancillary service costs and includes information on various quality factors such as number of services performed, the numbers of patients with complications and availability of an on-site ICU. This program will be deployed to Connecticut markets by mid-2009.
- *Pay for Performance Programs* - To change the system, we have to change how we measure and reimburse providers. Our pay-for-performance programs assess physicians and hospitals on evidence-based quality indicators and reward them for better health outcomes, patient safety, and member satisfaction.
- *Member and State Health Indices* - WellPoint's mission is to improve the lives of our members and the health of our communities. This commitment is measured through our performance on Member and State Health Indices, where domains in screening and prevention, care management, patient safety and clinical outcomes assess our success at comprehensively improving quality. We are the first and only health benefits company to directly link success in improving our member's health with the compensation of every associate in the company.

#### **Covering the uninsured and improving coverage for all Americans**

While Anthem Blue Cross and Blue Shield believes improving health care quality and reducing costs is the key to a better system, we also believe that we must simultaneously put our country on a sustainable path to covering everyone.

#### **Reforming insurance markets to better meet the needs of consumers**

Health insurers must make the health insurance market work more efficiently and effectively. Additionally, much can be done to improve health insurance markets to better meet the needs of consumers. Anthem Blue Cross and Blue Shield's health care reform plan calls for reforms in the following areas to better meet the needs of consumers:

- Ensure all Americans can access affordable coverage
- Create a viable health insurance marketplace that facilitates competition and consumer choice and encourages insurers to create innovative products that meet the needs of consumers

#### **Enacting strategies to expand and finance sustainable coverage for all Americans**

Anthem Blue Cross and Blue Shield believes that we must get our country on a sustainable path to covering everyone. Our health care reform plan calls for the following strategies to put America on a sustainable path to covering everyone

that focuses on public-private partnerships and expanding the employer-based system:

- Improve and expand programs for the most needy
- Provide a bridge to self-sufficiency through premium assistance
- Expand the employer-based system
- Equalize tax treatment for individuals purchasing coverage on their own
- Increase funding for public-private partnerships

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Thank you for your time and attention today. Anthem Blue Cross and Blue Shield stands ready to participate in any discussions on the very important issue of healthcare reform that may occur during this legislation. I welcome any questions you might have.