Testimony of

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[Written Submission]

Introduction

Good morning Chairman Baucus, Ranking Member Grassley and members of the committee. My name is Ronald A. Williams, and I am the Chairman and Chief Executive Officer of Aetna Inc. Headquartered in Hartford, Connecticut, Aetna is one of the nation's leaders in health care, dental, pharmacy, group life, disability insurance and employee benefits. We provide products and services in all 50 states, serving over 36.5 million unique individuals. Our customers include employer groups, individuals, college students, part-time and hourly workers, health plans, governmental units, government-sponsored plans, labor groups and expatriates.

Thank you for the opportunity to participate in today's roundtable and share with you my views on our top priorities for reforming our nation's health care delivery system.

While access to health care is deservedly much-discussed, the scope of comprehensive health care reform must be broader to ensure that the system successfully delivers high-quality health care. We need a health care system that can help Americans achieve their optimal health by delivering the right kind of care to everyone who needs it every single time. Today, we simply do not have such a delivery system in place.

I believe achieving the ideal delivery system requires us to focus on several key areas of reform:

1) We need to **harness the power of health information technology** so that we can turn complex health data into knowledge that physicians and patients can act on to improve health outcomes;
2) We need to **make wellness and prevention a priority in our health care system**. Our seat belt laws and anti-smoking efforts have achieved great results and we need this same type of commitment in the wellness challenges facing us in the areas of obesity and encouraging healthy behaviors; and
3) We must **reform our payment system**, utilizing public programs alongside private sector innovation, so that our focus rests on value and quality, rather than volume.

To a large degree, the value of these reforms is demonstrated in the positive outcomes we have achieved through programs for our customers and employees. It is clear that health care marketplace innovations can be utilized for the benefit of all Americans, and I want to highlight some of these experiences while discussing our priorities for delivery system reform.

Priorities for Reforming the Delivery System

1) Leverage the power of health information technology to enhance care coordination and improve outcomes

We need to change delivery paradigms by using health information technology (HIT) tools that enable providers and patients to make better use of the right data, at the right time to

make quality care decisions. HIT can facilitate vast improvements in individuals' health care experiences by offering them a clearer picture of their own health, a more coordinated interaction with multiple health care providers and better, safer health outcomes.

There is widespread recognition of the problems that could be partially solved through enhanced use of HIT – as many as 98,000 individuals die annually in U.S. hospitals as a result of medical errors[1] and at least 1.5 million Americans are injured every year because of medication errors, at a cost of at least $3 billion.[2] Yet, we have witnessed a very slow adoption curve among U.S. providers for tools such as Electronic Health Records (EHRs). The slow rate of EHR adoption among physicians has been documented, and a recent *New England Journal of Medicine* survey found a similar trend among hospitals; only 1.5 percent of U.S. hospitals have a comprehensive electronic records system.[3]

Aetna applauds the efforts of both Congress and the Administration for making the $22 billion down payment in the American Recovery and Reinvestment Act to incent providers to purchase and implement electronic record platforms. While absolutely necessary, Aetna believes that EHRs are only a partial solution if we are to fully realize the $80 billion in projected annual savings generated from the use of electronic record technologies. More important will be "smart" technologies that enable data exchange across providers as well as the companion services which deliver advanced, intuitive clinical decision support. These tools will ensure that providers are able to quickly rationalize the growing volume of data on their patients and to use that data to make the right treatment decisions. It is from these latter two areas – data exchange tools and clinical decision support tools – that the public will realize true value for its HIT investment, and I would encourage Congress and the Administration to make these investments.

Data Exchange Tools

We need continued focus and investment to develop the infrastructure needed to support data exchange tools. All Americans should have access to a secure, interoperable health system that provides administrative and confidential medical information. Health information technology, coupled with evidence-based medicine, translates into fewer errors, improved patient safety and better doctor-patient communication.

Aetna Experience

Aetna and its ActiveHealth Management division are working closely with regional health information organizations around the country to embed the value of evidence-based technologies and services to assist the clinical providers who are connected to the information exchange network. An exciting program is underway with the Brooklyn Health Information Exchange in New York City where ActiveHealth's clinical decision support technology and services are to be used to aggregate, analyze and connect otherwise disparate information

[1] Linda T. Kohn, Janet M. Corrigan and Molla S. Donaldson, "To Err is Human: Building a Safer Health System," Institute of Medicine, November 1999.
[2] Philip Aspden, Julie Wolcott, J. Lyle Bootman and Linda R. Cronenwett, Eds., "Preventing Medication Errors," Institute of Medicine, July 2006.
[3] Ashish K. Jha, Catherine M. DesRoches, Eric G. Campbell, "Use of Electronic Health Records in Hospitals," *New England Journal of Medicine*, April 2009.

from lab results, pharmacy data, diagnostic and procedural claims data. This technology allows for identification of gaps in care, medical errors and quality of care concerns via evidence-based guidelines. ActiveHealth is also providing specialized Personal Health Records to Brooklyn patients that will be populated with patient-centric data drawn from the exchange. From this data, ActiveHealth will be able to generate care alerts to be sent to both patients and their providers to create a customized care plan for the patient. Our work with the health information exchange in Brooklyn has been an important milestone for ActiveHealth, and we are pleased to now be working with a number of other regional exchanges to implement similar programs.

Clinical Decision Support

Aetna believes the key to leveraging the power of health information technology is to ***make data actionable***. Giving providers greater visibility to patient data to make better decisions for their patients – and Aetna members – has been a central driver for much of the $1.8 billion Aetna has invested in HIT since 2005. This was the impetus for our acquisition and continued deployment of an interoperable clinical decision support service, ActiveHealth Management and its CareEngine® clinical decision support solution.

Aetna Experience

As envisioned in the collaboration now underway between ActiveHealth and the Brooklyn Health Information Exchange, advanced clinical decision support is a vital tool that enables providers to "meaningfully use" their electronic health record system. Many commercial payers already recognize the value of this technology, as it serves more than 19 million plan members and their physicians. ActiveHealth services generated more than 7 million care alerts in 2008. Most importantly, these alerts are having a measurable impact on both the quality and economic value of the care patients are receiving, especially in higher cost chronic disease areas where effective care coordination makes a tremendous difference. Some real world results include the following:

- Alerts calling for the right use of ACE inhibitors in the appropriate cardiovascular patient population delivered $510 per member per month reduction in submitted charges when compared to a matched control group that did not receive such alerts;
- Compliance improvements of 47 percent were achieved in ensuring chronic kidney disease patients received the standard of care to prevent bone disease;
- Use of alerts improved compliance with national osteoporosis guidelines by up to 23 percent; and
- There was an incremental 12.5 percent boost to overall patient compliance with their providers' care recommendations when patient alerting was used.

These and other examples underscore the vital role that advanced clinical decision support can, and should, play in ensuring providers maximize the value and potential of electronic health information.

Recommendations

While ActiveHealth Management's CareEngine® is a leading technology in the clinical decision support and care management category, this area as a whole is a rapidly emerging space for innovation and one which merits continued public policy focus and support for its ability to drive a measurable return on investment. Specifically, Congress and the Secretary of Health and Human Services should give additional consideration to how Medicare and Medicaid incentive payments to providers could be used to help providers acquire these services and tools as part of their effort to use EHRs, improve care coordination and enhance quality of care for patients. In the months ahead, as this committee and the Congress consider comprehensive health care reform, I encourage Members to become familiar with how these decision support tools function, how they provide a necessary complement to enable the "meaningful use" of EHR technology and how they can foster quality and value for providers, patients and payers. In addition, I believe we must invest in the infrastructure necessary to facilitate the establishment of a truly interoperable health information technology system.

2) Focus our system on prevention and lifelong wellness to get and keep Americans healthy

Today, our health care delivery system is largely oriented toward treating disease once it surfaces rather than preventing it before it has the chance to appear. Refocusing our system to prevent disease and promote wellness can shift the pendulum toward better health for all Americans, giving individuals the support and resources they need to lead longer, healthier lives.

Overall, we are simply not as healthy as we could be. More than half of Americans are living with at least one chronic disease.[4] Nearly one in five four-year-olds is obese, with significant disparities in prevalence among different racial and ethnic groups.[5] Unhealthy behaviors have severe human and economic consequences. Obese children face risk factors for cardiovascular disease (e.g., Type II Diabetes, high blood pressure) previously only seen in adults, and they are likely to be obese as adults, as well.[6] Smoking alone accounts for 400,000 annual deaths[7], and obesity is associated with more than 111,000 excess deaths each year.[8] The United States spent $217.6 billion on direct costs in treating non-institutionalized

[4] Ross DeVol, Armen Bedroussian, Anita Charuworm, et al., "An Unhealthy America: The Economic Burden of Chronic Disease Charting a New Course to Save Lives and Increase Productivity and Economic Growth," Milken Institute, October 2007.
[5] Sarah E. Anderson and Robert C. Whitaker, "Prevalence of Obesity Among U.S. Preschool Children in Different Racial and Ethnic Groups," *Archives of Pediatrics and Adolescent Medicine*, 2009; 163(4):344-348.
[6] David S. Freedman, Zuquo Mei, Sathanur R. Srinivasan, Gerald S. Berenson and William H. Dietz, "Cardiovascular Risk Factors and Excess adiposity Among Overweight Children and Adolescents: the Bogalusa Heart Study," *The Journal of Pediatrics*, 2007, 150(1):12–17.
[7] National Committee for Quality Assurance, "State of Health Care Quality," 2007.
[8] Katherine M. Flegal, Barry I. Graubard, David F. Williamson and Mitchell H. Gail, "Excess Deaths Associated with Underweight, Overweight and Obesity," *JAMA*, April 20, 2005; 203(15): 1861-1867.

Americans for chronic disease in 2003, while experiencing an added $905 billion in losses associated with indirect costs.[9]

Our delivery system reform efforts must refocus our system on getting and keeping people healthy throughout their lives. I believe a number of strategies are critical to refocusing our system on wellness and prevention, including:

- *Developing an integrated, holistic approach to care management to allow for early intervention and education;*
- *Using consumer engagement and targeted incentives to encourage sustained healthy behavior and change unhealthy behaviors; and*
- *Promoting coverage policies and initiatives that encourage the use of high-value health care and address the needs of specific population segments.*

Integrated, Holistic Approach to Care Management

All too often, patients can find themselves in a maze of multiple physicians and providers, lacking a coordinated, holistic view of their total health and the range of needs they face. For health care to be as effective as possible for each individual, care must be integrated and coordinated among providers and with health plans to ensure the right kind of focus on all aspects of a patient's health and needs. I believe that a holistic approach to care can have a positive impact on quality while also reducing costs.

Aetna Experience

Aetna Health Connections Disease Management helps people with chronic conditions get the treatment and preventive care they need by taking a wider view of an individual's health, rather than focusing solely on a single disease. Aetna's nurses and clinicians help members understand and follow their doctor's treatment plan and better manage ongoing conditions with the goal of helping members achieve their optimal level of health. These programs include foundational care management capabilities; effective use of data that provides a 360° view of a member's health; and personalized, actionable information through pinpoint identification that can measure changes in engagement levels over time. Employers who invest in this program have seen a 2 to 1 return on their investment. Moreover, through disease management programs, we have seen reductions in emergency room visits and inpatient admissions, including a 7 percent reduction in ER visits for asthma, a 13 percent reduction in inpatient admissions for coronary artery disease and an 18 percent reduction in inpatient admissions for strokes.

Consumer Engagement and Behavior Change

Wellness and prevention require consumer engagement and sustained behavior change. The path to engagement and behavior change begins with involving people in programs that will set them on their way to improved health, while providing continuous support and interaction to keep them moving in the right direction. This can be achieved by providing education,

[9] Devol, Bedroussian, Charuworm, et al. Indirect costs include decline in worker productivity, presenteeism and overall reductions in the labor supply.

interactive and easy-to-use tools and access to a range of services. These should include health risk assessments, fitness programs, weight management, disease management, smoking cessation, employee assistance and incentive programs.

Aetna Experience

Wellness Works Programs. We believe so strongly in the value of wellness programs that we implement them widely for our own employees. The goals of our *Wellness Works* programs include promoting positive, healthy behaviors; offering prevention and early intervention services; promoting appropriate utilization through our expertise in evidence-based medicine; and supporting a healthy culture that gives employees "permission to be healthy." As a result, engaged Aetna employees are getting healthier and contributing to lower medical costs. In fact, the suite of Aetna wellness programs were a strong contributor to Aetna's maintenance of a just over 3 percent trend in growth of health care costs. Two examples among many include the *Get Active Aetna* program, a fitness action campaign through which 55 percent of employees logged 970,000 exercise hours in 2008, and the *Healthy Lifestyles* programs, through which employees can receive up to $600 in financial incentives for participating in the company's health assessment and for tracking individual physical activity and healthy eating.

Value-Based Insurance Design. Based on evidence in the medical literature that co-payments and/or coinsurance can create barriers to care, value-based insurance design eliminates or reduces co-payments or coinsurance for certain medications or types of care that are demonstrated to be crucial in preventing or managing disease. In other words, insurance is designed so that costs are not a deterrent to individuals in seeking out the right kind of care. One important example is the various types of care that are provided with first-dollar coverage, including preventive care, routine physicals, gynecological exams and medications for chronic care conditions. In addition to offering these products in the market, Aetna and the Aetna Foundation are supporting two clinical studies to evaluate the efficacy of value-based insurance design with researchers at Brigham and Women's Hospital and the University of Pennsylvania.

Coverage Policies and Initiatives to Address Critical Needs

Another important approach for improving health and wellness on a large scale involves identifying groups of people – based on health condition, ethnicity or another unifying characteristic – that can benefit from a specific intervention and then providing that intervention. Such interventions have the potential to improve the wellness of individuals who may have otherwise fallen through the cracks. Aetna has worked hard to identify areas where we can have an impact on individuals, quality improvement and the health care system at large.

Aetna Experience

Childhood Obesity Pilot. In 2009, Aetna launched a childhood obesity pilot in cooperation with the Alliance for a Healthier Generation (partnership between William J. Clinton Foundation and American Heart Association), Aetna's employer clients and the medical

community. The program, currently available to five large employer groups totaling 74,000 employees, includes coverage for obesity and nutritional counseling provided by physicians, access to clinically-based community resources, educational materials distributed at the worksite and educational resources for physicians. We believe the program is breaking new ground; currently there is no evidence-based protocol for treating childhood obesity with counseling absent a co-morbid condition (e.g., diabetes). By addressing childhood obesity *before* it leads to serious health complications, this program takes an important, proactive step in improving health and quality of life for children in need. Our program offers a uniquely comprehensive approach by combining proactive treatment of childhood obesity with collaboration among insurers, employers, the medical community and families.

Aetna Compassionate Care Pilot. Although 70 percent of Americans say it is their wish to die at home, just under 25 percent do so.[10] In the advanced stages of illness, individuals and families too often face the challenging all-or-nothing decision of choosing between curative care in a hospital setting and palliative care in a hospice or home setting. In 2004, Aetna introduced a pilot program to evaluate whether liberalized hospice benefits (i.e., offering access to curative care whether in a hospital, hospice or at home) and specialized nurse case management support could improve quality of care and quality of life for members in the final stages of life. Through a study comparing three groups of members,[11] we found that the proportion of members using hospice increased across the board (71 percent for commercial health plan members and 63 percent for Medicare members); outpatient days spent in hospice more than tripled; and members were rushed to the ER less and had fewer hospitalizations. Most importantly, in a member satisfaction survey Aetna conducted of family caregivers of members enrolled in the program, 96 percent said they believed the member's needs for pain management and symptom relief were met in the final months of life.

Breast Health Ethnic Disparities Initiative. Through the Breast Health Initiative, we aim to improve women's compliance with screening mammograms by identifying those African American and Latina members who have not had annual screening mammograms, identifying barriers to screening mammograms and conducting personalized, culturally competent outreach.

Recommendations

Investments should be made in programs that promote the health and wellness of our population and encourage the use of preventive care. The programs enumerated above are only a sample of the many specific initiatives being implemented nationwide, but they demonstrate the value and efficacy of engaging individuals in the pursuit to achieve and maintain better health and wellness. Importantly, the employer-based system provides a critical venue for implementation of wellness and prevention programs, as insurers can help employers target interventions to the needs of their employees and their families. Congress should consider providing tax incentives to employers for offering evidence-based wellness programs, while also considering vehicles for pre-tax purchase of wellness-promoting

[10] Robert Wood Johnson Foundation, "Means to a Better End: A Report on Dying in America Today," November 2002.

[11] Three member groups were: those receiving hospice benefits and case management from trained nurses; those receiving case management support only; and Aetna Medicare members.

activities. Grants for community-based wellness and fitness programs should also be considered in order to reach a larger segment of the population. In addition, wellness and prevention initiatives should be implemented in public programs in order to improve the quality of care provided and reduce costs. In all cases, programs should: be implemented with an eye toward consumer engagement and behavior change; utilize new and existing tools (e.g., care management, HIT) to ensure care is integrated; and enact coverage policies that encourage (rather than discourage) people to access care that promotes wellness and prevents disease.

3) Reform our payment system to focus on value, rather than volume

Though we as a nation have the highest per-capita health care spending in the world, the quality of care delivered by our health care system falls far short of expectations. Incentives in our payment system that reward providers for quantity of care rather than quality of care are an important part of the problem. Improving our delivery system starts with reforming our payment system to focus on quality and value. Aetna supports transforming the payment system into one that aligns provider reimbursement incentives with achieving high quality outcomes for patients.

Various payment reform approaches linking payment to performance and aligning care across the continuum of providers are being piloted and tested across the country. I believe we must work together to test and identify those that achieve value and sustain robust health care systems, including the following:

- *Consider new payment models to align care and recognize performance;*
- *Expand pay-for-performance;*
- *Revitalize primary care and support the patient centered medical home*
- *Increase transparency*
- *Include public programs in payment reform*

New Payment Models and Pay-for-Performance

The goals of both new payment models and pay-for-performance are: (1) to recognize and reward physicians, hospitals, other health providers and health systems for delivering high value; and (2) to create incentives for improvements in performance, outcomes and quality of care (e.g., safety, effectiveness and efficiency).

New Payment Models to Align Care and Recognize Performance: Reform should focus on meeting consumers' needs as they try to successfully navigate through our health care system by paying for coordinated care driven by intelligent decision-support systems. Approaches that dominate the payment reform debate and need to be considered include bundled payment for an episode of care and gainsharing (rewards for greater efficiencies), recalibrating the current fee-for-service system, global payment through capitation and other mechanisms. The private sector has been and will continue to be a useful laboratory for testing these approaches.

Pay-for-Performance: Pay-for-performance initiatives that are evidence-based and focus on continuous improvement can help bridge the transition to more comprehensive payment reform. Our collective ability to differentiate and measure performance and performance improvement is a fundamental component of payment reform. Investment in this area must focus on measures that are credible to physicians, clinically important, transparent to all stakeholders and understandable and useful to consumers.

The following are some examples of Aetna's efforts to try new payment structures that are designed to promote a team approach to medicine and improve outcomes for the patient.

Aetna Experience

Aetna's Pathways to Excellence.[SM] Pathways to Excellence initiatives are focused on engaging providers to improve both the patient experience and outcomes of care. This set of innovative solutions advances value-driven healthcare purchasing by aligning recognition, incentives and/or payments to providers with the delivery of high quality, safe and efficient care. It includes such diverse initiatives as pay-for-performance with physicians and hospitals; our High Performance Provider Initiative health care improvement collaboratives; Aetna's Institutes[SM] Program for designating top performing facilities and providers for specific health services; and Aetna's Aexcel® Specialty Designation High Performance Network.

Currently, nearly 80,000 physicians and 350 hospitals participate in *Pathways to Excellence*. To ensure that our provider partners are actively engaged in achieving successful outcomes, we work with them to select mutually agreed-upon measures for improvement assessment. As part of this program, a multi-hospital, metropolitan system experienced significant improvement in antibiotic management along with a 10 percent reduction in length of stay over a two-year period. In our High Performance Provider Initiatives, we work with hospital and health plan data to identify variations in care and implement targeted interventions to reduce these variations. These collaborations have reduced hospital readmission rates, increased post-discharge physician visits, increased the use of generic drugs and decreased unnecessary high-cost radiology procedures.

Both our Aetna Institutes and Aexcel Programs identify high performing providers and designate High Performance Networks. In Aexcel, specialists who have met clinical quality and efficiency standards are recognized. Aetna's performance network is associated with high-quality care that saves up to 4 percent in medical costs annually. **Aetna Institutes™** facilities are publicly recognized, high-quality, high-value health care facilities. By identifying these providers in our provider search engines and, in some cases, providing incentives to members, we reward these facilities for their performance. Our Institutes for Bariatric Surgery have achieved exceptional outcome results for our members, resulting in medical costs in the year post surgery that are 15 percent lower than the year prior.

Revitalizing Primary Care and Supporting the Patient Centered Medical Homes

We need to build on the Patient Centered Medical Home models now being tested and refined in both the private and public sectors. Fundamental to these programs should be the establishment of methodologies for compensating primary care practices in a way that

recognizes the value of care coordination. Investment in formal evaluation of the impacts of the Medical Home on quality, cost and patient experience should be an integral component of all demonstrations undertaken in the public sector. Payment reform should also directly address practical methods to recognize the value of telemedicine, electronic visits and other technology-enabled approaches to delivering more effective care, especially for those patients with chronic medical conditions.

Aetna Experience

Primary Care Revitalization and Patient Centered Medical Home. Aetna is engaged in four Patient Centered Medical Home demonstrations and is planning several others. In each of these, payment structures can range from allowing payment for care coordination services and consultation within an interdisciplinary team to innovative gainsharing strategies. In our Medicare Advantage program we also are making nurse care coordinators available on-site at physician offices to support primary care. Our rigorous methods of measurement will help identify effective strategies for reaching our common goals among the diverse populations, communities and practice-types that must be supported through such initiatives.

Transparency

Health care consumers often lack quality and price information before they receive care, often leading them to pay too much for care without being assured of the standard of care they expect. Conventional wisdom might suggest that more expensive health care is better care, but researchers have found that neither quality of care nor patient satisfaction is correlated with costs. The system should demand transparency in health care quality, network membership and pricing to give consumers easy access to health care information to make good decisions. We believe that investments in transparency should be accompanied by rewards and other incentives for providers that efficiently deliver evidence-based care.

Aetna Experience

Healthcare Transparency Tools. Aetna has a leading suite of online health care transparency tools that provide our members, prior to receiving care, with clinical quality, cost and efficiency information. Online access to this information helps members choose health care providers, make informed health care decisions and better plan for their health care expenses. Ensuring transparency on all three levels – quality, cost and efficiency – makes certain that price information will not disproportionately drive health care decisions.

We have integrated transparency information directly at the point of member selection of providers through Aetna's DocFind search-engine. Today, members can learn which physicians are participating in the American Board of Internal Medicine Quality Improvement Program and the American Society of Clinical Oncology Practice Improvement Initiative, and which physicians are recognized by the National Committee for Quality Assurance (NCQA) or Bridges to Excellence.

Members can utilize our hospital comparison tool with direct links to the Leapfrog Group and hospitalcompare.gov to better understand hospital care and quality. We continue to expand

our partnerships for external recognition while also building our own internal recognition programs.

Include Public Programs in Payment Reform

Among all payers in our system, the government is the largest individual payer of health care costs. Public programs must be part of payment reform. Under Medicare's current fee-for-service payment structure, providers are paid on the basis of volume rather than value, often with suboptimal results. Moreover, lower payment rates paid by public programs result in cost shifting to those who are privately insured. In 2007, commercial payers paid physicians at much higher rates than public payers, with Medicare rates at 89 percent of the overall average rate, Medicaid rates at 60 percent of the average and commercial rates at 114 percent of the average. On an aggregate level, the cost shift from public programs to commercial plans is about $89 billion, leading the average privately insured family to spend an additional $1,788 annually.[12] By addressing the challenges within the public program payment systems, we can begin to tackle payment reform head-on, while also reducing some of the negative externalities associated with the payment structures within these programs.

In addition to payment reforms needed within Medicare to improve quality and reduce costs, and in light of budgetary needs for a down payment on health care reform efforts, we may also have to address the related issue of Medicare's operational structure and the Medicare Advantage bidding process. In particular, if we decide to follow a pathway to Competitive Bidding in Medicare Advantage, we should look at the development of a viable structure that exhibits the following guiding principles: (1) generates meaningful cost savings from the Medicare Advantage program; (2) maintains access for all beneficiaries and minimizes disruption; and (3) provides incentives to improve quality.

Recommendations

We must continue to test new payment models and pay-for-performance programs as we implement the most promising approaches in both private insurance and public programs. We should take steps to revitalize primary care, recognizing its importance to providing integrated, quality care at a lower cost. Beyond investigating new primary care models, such as the medical home, Congress should offer loan forgiveness to medical students choosing to practice primary care. Congress should push for greater transparency in public programs, in order to provide consumers with the critical price and quality information they need to make good choices when it comes to their own health care. For all interventions related to payment reform, I urge Congress to recognize and act on the importance of implementing payment reform in public programs, including Medicare, Medicaid, CHIP and the Indian Health Service, in order to expand the reach of effective approaches for the benefit of a broader segment of the population.

[12] Will Fox and John Pickering, "Hospital and Physician Cost Shift: Payment Level Comparison of Medicare, Medicaid and Commercial Payers," Milliman, December 2008.

Conclusion

We cannot ensure a high standard of care for all Americans until we repair our health care delivery system. To repair our system, we must encourage the widespread adoption of the health information technology tools that can provide for better care coordination and better care. To repair our system, we must achieve a renewed focus on getting and keeping people healthy by maintaining a primary focus on wellness and preventive care. And finally, to repair our system, we must reform payment structures to facilitate provision of the highest possible quality of care.

Aetna has been at the forefront of bringing about innovations to improve the health and lives of our members and to enhance the functioning of the many parts and players in the health care system with whom we interact. I believe the competitive marketplace has played – and can continue to play – an important role in fostering the innovation necessary for our country to achieve true and widespread greatness in our health care system. I encourage Congress to accelerate the implementation of these innovations on a wider scale for the benefit of our entire population.

Thank you for the opportunity to share my thoughts with you today.