

A BLUE Heritage

**An Interview with Mark Wagar,
President and Chief Executive Officer, Empire Blue Cross Blue Shield**

EDITORS' NOTE *In his current post since 2006, Mark Wagar serves as President and CEO of Empire Blue Cross Blue Shield, provider of health insurance coverage serving nearly six million New Yorkers. Empire Blue Cross Blue Shield offers health care coverage for groups and individuals. Wagar brings experience in both health plans and provider organizations. Prior to Empire, his roles included positions at Caremark, CIGNA HealthCare, and other managed care organizations, as well as with hospitals, physician groups, and outpatient care providers.*



Mark Wagar

COMPANY BRIEF *Empire Blue Cross Blue Shield (www.empireblue.com), is the largest health insurer in New York State providing essential care access and coverage to nearly six million New Yorkers. A subsidiary of WellPoint, Inc., Empire Blue Cross Blue Shield has been the most recognized name in health coverage for New York business, labor, government, and individuals since 1934. Empire is a licensee of the Blue Cross Blue Shield Association, which covers one in three Americans.*

What is the importance of the Empire Blue Cross Blue Shield heritage and what makes Empire so consistent in its leadership?

Local engagement with members and their families, doctors, hospitals, government, and the community.

There are some companies that specialize in one part of the coverage industry – we're in every part and that distinguishes us. It is a Blue heritage. The difference here is that Empire has put its stamp on New York over the years by listening to and working with New Yorkers.

We try to build the service part of our business around taking the members out of the middle when they have issues that are beyond their control. There aren't many organizations that can say that routinely, on a five-point scale, over 90 percent of their customers rate us very satisfied or satisfied. We poll at least every week on how people feel about us and we do more than just ask if they're satisfied; we ask what they like and don't like, and we change our business based on that feedback. That is the core of the culture of Empire.

Our traditional job is to provide people with access and financial protection related to health events, but we keep changing as our customers' needs change. For example, we now routinely offer additional help and guidance in working with their physicians on the best route for them to take to stay well, as well as the best practice approaches when they need care.

How does Empire look to incentivize the changes that need to be made in health care today?

We know that care better coordinated by a primary care physician can keep you healthier over time, get you to the right specialist or hospital quickly when you need it and doesn't waste as much money as our current system. And we know that each of us can impact our own health and cost by our behaviors.

So first we've made a billion-dollar bet across the country that if you pay primary care physicians differently and enable them to do the proactive things they need to in the offices with you and your family, we'll have a more effective health care system in New York and across the country. That includes enabling specialists and hospitals to be more successful in finding the right path for you. The key word is "everyone." Members, their families, and group customers have to see their share of improvement and savings. Physicians, hospitals, and insurers have to make sure that happens and can't just divide up the pie – it is the customers' and patients' money.

Are we where we need to be with the discussion around preventive care and how critical is that to the whole equation?

Most people have just begun to understand it. About two-thirds of everything spent on health care is the result of things we do to ourselves. Part of that two-thirds is related to obesity and all of the systemic problems that drive health deterioration and cost. The other part is related to cancers and other issues that are driven by what we consume or expose ourselves to, as well as activity. There is much crossover of the same solutions across the two general categories.

The idea that the consumers can't do much about health care costs over time isn't true. The challenge is that because they feel fine today, they don't realize the need until serious problems develop after it is too late.

The nice thing about this challenge is if you take just a few actions seriously, you get the benefit of being healthier day by day and enjoying a higher quality of life, and you will spend a lot less. It's not cost-cutting; it's cost avoidance, because you can get yourself in an improved condition and don't need care to begin with.

We need to have the absolute best intervention for serious health events when you need it. But if we don't change the number of people who have serious health issues going forward, we're not going to be successful in creating a system we can afford.

How critical is your philanthropic arm and is it important these causes align with the business?

It's important because it aligns with what our members and their families need. Our Empire associates are enthusiastic in giving because we allow them the freedom to engage. And we back up the things they want to get involved with in the community.

We currently support educational efforts like PENCIL to help young people who may be on a disadvantaged path, as well as with The Committee for Hispanic Children and Families, the Asian American Federation, One Hundred Black Men, the Jewish Community Relations Council, and FedCap, which are blanket organizations for people who need a hand up, not a hand out. There is a connection between feeling good about yourself and your physical well-being. So supporting these kinds of organizations makes good business sense. Another example is our sponsorship of Walk NYC and Shape Up NYC. We sponsor over 30 parks and dozens of indoor locations in the city so people have places like that to work on getting healthy with experts.

Our day job is making sure your coverage is correct and we pay the claim promptly for a service that is appropriate. But our night job is making sure we are advocates for making our communities healthier.

You've been engaged in the Partnership for New York City. What has made it so effective?

I've rarely seen the level of business commitment to overall community well-being you see in New York City. In the Partnership, you leave your title and ego at the door and talk about real challenges and actions.

We take positions on important issues that affect New Yorkers and New York City. But if something doesn't work, we don't just complain; we suggest what will be better. ●