

Pondering Health Care

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When tensions between the Obama administration and the nation's health insurers were at their highest earlier this year, Ronald A. Williams, the chief executive of Aetna, stood out as one of the few industry voices that still resonated within the White House.

He stayed above the fray even as other executives were drawn into noisy disputes with lawmakers over the health care law.

A soft-spoken executive whose pragmatism and focus on detail are credited with helping turn Aetna around, Mr. Williams advocated for the insurance industry when it was under fierce political attack.

Democratic leaders, including President Obama, cast insurers as villains, sharply criticizing them for raising rates at the expense of their customers and abandoning people when they became ill by canceling their coverage.

As he stepped down as Aetna's chief executive in late November, Mr. Williams, 61, seemed fairly disillusioned about what was accomplished by the new law.

He said he felt he had no choice but to persevere throughout the legislative battle, despite what he described as "the exceedingly poor tone shown by leadership in demonizing a whole industry."

"Ultimately," he said, "I believe it was important to be at the table." But Mr. Williams also reflects the insurers' deep ambivalence about the final legislation. While he says he does not support repealing the law, he has only faint praise for what it may do. When asked to describe its greatest achievement, he cites "heightened awareness."

He and other major insurers did succeed in helping to ward off creation of a government-run health plan. Still, Mr. Williams and other executives worry about the law's effect over the coming years.

Len Nichols, a health economist and policy analyst at George Mason University, said: "You have truly conflicted insurers. On the one hand, insurers could be looking to 30 to 50 million new customers. On the other hand, they are looking at having to change their business model."

And insurers have clearly not given up hope that they will be able to influence the final shape of the rules, including refinements in the final regulations just released by the government that dictate how insurers have to spend their premium dollars. "There are many opportunities to change the law," Mr. Williams said. "It's not etched in stone."

Insurers are already looking ahead to some provisions, like exactly what benefits they must include in the new plans to be offered in the state-run exchanges and exactly how much more they can charge older and sicker individuals under the rules requiring them to cover everyone. Mr. Williams, for one, is also sharply critical of the \$60 billion in new taxes levied on the insurers, which he claims will result in higher premiums at a time when the industry is under attack for not offering less expensive policies. "You can't make the product more affordable by putting taxes on it," he said.

He is also dismissive of the administration's attempts at flexibility by granting one-year waivers to certain plans or exemptions for certain states. "It creates a supplicant environment in society," he said. He argues it would be better to slow the overall adoption of the new law.

Despite saying he was unprepared for the ruthlessness of the political process, Mr. Williams emerged as one of the most prominent industry representatives. He had dozens of meetings on Capitol Hill, frequently testifying before Congress, and also meeting with the president or his staff.

"Ron was the industry's emissary to the White House," said Wendell Potter, a former insurance executive who has become a vocal critic of the industry. While some of his colleagues were viewed as pushing too hard for their own narrow interests, the administration "found him to be the most reasonable," he said.

Mr. Williams rarely speaks of his childhood, or any topic of a personal nature. He grew up in a poor neighborhood in Chicago and is one of the few African-Americans to run a large corporation.

Growing up, he says he watched his friends and neighbors struggle to get medical care. When his mother was told she had breast cancer in 1972, Mr. Williams said he witnessed how hard it was for someone, even with insurance, to try to find appropriate treatment. He is unsure whether she got the best care she could have.

As a result, Mr. Williams says he is not blind to the need to overhaul the nation's health care system to make it better. "There is no question in my mind that the health care system has to work," he said.

One of Mr. Williams's major concerns is that many of the newly insured will still have a hard time finding a doctor to treat them. "I don't see the system creating an adequate supply of primary care doctors in that amount of time," he said.

Instead, he said, states and the federal government need to be creative about allowing the expanded use of other health care professionals like nurses and physician assistants.

Still, Mr. Williams is also a staunch defender of his company and the industry. "Health care would cost a lot more if we did not exist," he said, "and the quality of health care is a lot better than it would be."

During the debate, Mr. Williams frequently emphasized the need to control the underlying costs of medical care that he said were fueling the increase in insurance premiums. "He was very important in capturing the importance of cost," said Karen Ignagni, the chief executive of America's Health Insurance Plans, a trade association.

In a meeting with the president last May, for example, Mr. Williams said he adamantly expressed his belief that the new law would not lower the cost of health care, despite significant disagreement by the president. "We agreed to disagree," Mr. Williams said. "I don't think the bill does enough for cost and affordability."

One of the insurers' major concerns is the interest by the newly empowered Republicans to repeal a critical component of the new law that requires everyone to be insured. Mr. Williams was a vocal proponent of the individual mandate, as it was called, arguing that only by getting everyone covered and spreading the cost of caring for those who were ill would it be possible to keep premiums affordable.

But Mr. Williams said he and the insurers understood there might be other ways to make the new law work, even without the current mandate. States could turn instead to high-risk pools, special insurance programs for people with expensive medical conditions, he said, or the obligation to buy insurance could begin only when someone turns 21 years old. "It would be a mandate on a new generation," he said.

Mr. Williams argues that legislators need to be mindful of the practical impact of the law as insurers scramble to meet the new requirements. "At the policy level, you can make these broad pronouncements," he said, but insurers have to make very practical decisions about how much they should charge in order to cover a given group of people. "It matters what the numbers produce," he said.

By next spring, Mr. Williams will have given up all day-to-day responsibilities at Aetna, although he will continue to serve as a consultant to the company. But he said he planned to continue to talk with policy makers. "I'm willing to share my views with Congress, the administration and anyone who asks," he said.

And while he declined to discuss his future plans in any detail, Mr. Williams is unlikely to need -- or want -- to run another business organization. Last year, he made \$2.2 million in annual compensation and recently sold company stock, netting him some \$50 million. He was recently named a director at Boeing. And he said he was likely to be active in philanthropy, with a focus on education and health care.

Among his interests are changing the way doctors and hospitals are paid so that health plans, employers and the government can provide the right incentive to deliver better and cost-effective care rather than simply more tests and treatments.

Still, insurers will continue to be vocal as the law is put into effect, Mr. Nichols, the economist, predicted. "Both sides need to make this work," he said. "Industry does not want to blow this up in uncertain ways."