

Advocating Responsible Reform for All Americans

WellPoint is committed to playing a leading role in transforming health care in the United States. We believe achieving that objective requires a public-private collaboration that combines responsible public policy choices with private initiatives focused on the critical issues facing our communities and our nation.

Here is our list of the most critical health care policy issues facing our country, together with our position on each of them.

1. Affordability of Health Care

ISSUE Health care costs are increasing, leading to higher premiums for consumers and difficulties for employers who need affordable health benefits for their employees.

OUR POSITION To help keep premiums affordable and health care accessible, WellPoint is investing in many initiatives to reduce the cost of care, promoting wellness and preventive care for our members and communities, and working with providers to encourage high-quality, evidence-based care, which costs less over time. In addition, our subsidiary health plans offer members significant discounts through access to a network of health care providers across the country.

2. The Uninsured

ISSUE The number of American individuals and families without health insurance continues to increase.

OUR POSITION WellPoint has proposed a three-point action plan to help reduce the number of uninsured in America (available at www.wellpoint.com under "Our Commitments"). In short, we support:

- :: Coverage for every child in America;
- :: Improving and expanding public programs to cover the most needy; and
- :: Subsidizing the premiums of those who have trouble affording coverage.

We are working with policymakers at both the federal and state levels to enact reforms that will accomplish all of these goals.

3. Consumerism in Health Care

ISSUE American consumers have more choices and information than ever before, but many of them still lack the information and tools necessary to choose the most affordable, highest quality health care available.

OUR POSITION WellPoint is leading the industry with consumer-driven health plans that feature not only flexible spending accounts, but also the tools and information needed to make informed health care decisions. WellPoint is also a leader in making the cost and quality of health care services more transparent to consumers, and shares the goals inherent in the U.S. Department of Health and Human Services' Four Cornerstones initiative to increase transparency throughout the health care system.

4. Evidence-Based Medicine

ISSUE Studies show Americans receive expert-recommended care only about half of the time, and a landmark report by the Institute of Medicine found that as many as 98,000 people die each year from preventable medical errors.

OUR POSITION WellPoint has taken a leadership position in addressing costly and potentially harmful variation in the treatment patterns of physicians. WellPoint supports the expansion of new technologies, such as electronic medical records and e-prescribing, to ensure members are receiving quality care and health care professionals are using current best practices in making patient care decisions. WellPoint also rewards health care providers for delivering the highest level of care possible. In 2006, WellPoint paid approximately \$140 million to physicians and hospitals for evidence-based improvements in quality.

5. State of Public Health

ISSUE Lifestyle-related health issues, such as obesity, smoking, and stress, are having a significant impact on Americans' health and health spending.

OUR POSITION Healthier lifestyles result in less health care utilization, which helps stem the escalating costs of health care benefits. WellPoint is providing all members with the information and tools they need to modify behaviors that decrease health risks. We created the Member Health Index and State Health Index to measure and improve the health of members and non-members alike. And we support taxes on tobacco products as a means to deter people, especially minors, from using these products. Revenue generated from such taxes should be used to support health care access and health improvement initiatives.

6. Insurance Market Reform

ISSUE Proposed legislation at the federal and state levels could limit how health benefits are designed and offered. Such proposals, while well-intentioned, could make health insurance more expensive and lead to an increase in the number of Americans who are uninsured.

OUR POSITION WellPoint believes changes to the current marketplace must be done carefully or they may trigger unintended consequences. Laws that mandate coverage of specific benefits and services often result in all consumers paying higher premiums. Healthy individuals who otherwise would have purchased basic coverage may no longer purchase coverage, resulting in adverse selection, more uninsured and greater risks to our health care system. WellPoint is committed to working toward solutions for our customers and members and believes any solution must protect consumers, reflect market dynamics and provide one set of rules for all health benefits providers in a market.

7. Health Information Technology

ISSUE Broader adoption of electronic health records and health information technology (IT) holds the promise of both lowering long-term health care costs and improving health care quality, while increasing efficiencies in our health care system and empowering patients.

OUR POSITION WellPoint supports the widespread adoption of health information technology with appropriate privacy protections for consumers. We support establishing interoperability standards through a public-private collaborative process, harmonizing state and federal privacy and health IT laws, and providing federal grants to help providers pay for electronic health records and to facilitate health information exchanges.

8. Medicare

ISSUE Congress expanded the number of choices available to Medicare beneficiaries when it added the Part D drug benefit to Medicare and created the Medicare Advantage program in 2003. Today, some critics have called for limiting the number of Part D plans an insurer can offer, and others have called for cutting payments to the Medicare Advantage program.

OUR POSITION WellPoint believes that Medicare beneficiaries should continue to have access to a wide range of Medicare options, and is committed to the long-term success of both Part D and Medicare Advantage.

9. Medicaid and SCHIP

ISSUE State Medicaid programs continue to face financial challenges as states contend with growing enrollment, increasing health care costs and tight budgets. In addition, the continuing authorization of the State Children's Health Insurance Program (SCHIP), which covers more than four million low-income children — most of whom would otherwise be uninsured — is uncertain.

OUR POSITION Medicaid's historic and most important job is to take care of the truly vulnerable and needy. WellPoint supports reforms to the program that provide states with incentives to pursue public-private collaborations, which can enable states to become more effective purchasers of health care. In addition, WellPoint supports the reauthorization of SCHIP at a funding level that will, at a minimum, sustain coverage for all children and parents currently enrolled as well as coverage for all children who are eligible but not enrolled.

10. Privacy and Data Security

ISSUE The public has widespread concerns about privacy, particularly with regard to electronic data sharing and electronic health records.

OUR POSITION WellPoint has implemented high levels of security to protect confidential data and guard against unwanted intrusions or breaches in all aspects of our company operations, including IT systems. We continue to refine our information security programs to keep pace with current technological developments and to give members peace of mind that confidential individual health information is secure.