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Ron Williams

Aetna's boss on the ailing US healthcare system

VIEW FROM THE TOP

RONALD WILLIAMS, chief executive of Aetna

As chief executive of Aetna, one of America's big health insurance companies, Ron Williams is at the centre of one of the country's most contentious political issues.

Unlike many of his corporate peers, he has become an outspoken supporter of healthcare reform – though Mr Williams, 58, is careful not to endorse the specific plan of any candidate or political party.

Formerly president of Blue Cross of California, Chicago-born Mr Williams joined Aetna as chief operating officer in 2001, when the company was in financial trouble. Part of the management team that turned Aetna around, he became chief execu-

tive two years ago.

A reserved, self-confessed technology geek in an industry that has often prized leaders with a medical background, Mr Williams is a champion of using IT to make healthcare cheaper and more transparent. He was recently a member of a group of executives convened by Barack Obama, the Democratic Party's presidential candidate, to talk about business and the economy.

In a video interview with FT.com, he discusses US healthcare reform and what it is like to be an African-American CEO. Edited highlights appear below.

You've been an outspoken supporter of healthcare reform. It is often seen as going against the economic interests of insurers. Why are you backing it? Every American should have access to healthcare coverage, the way that I and my family have access to healthcare.

So it's not about business – it's a public policy issue?

Fundamentally it is about having a society in which everyone really has access to high-quality healthcare services.

What about others we think of as opposed to healthcare reform – doctors, big pharma? Where do their interests align?

I never meet anyone who really is opposed to being certain that people get access to healthcare services. People have different ideas about how to go about it. But I think many of the constituents want to see improvements in the system.

In this election campaign, which candidate do you think has the best healthcare plan?

I don't think that any candidate has a magic bullet or a bandage solution that's going to solve the entire problem. No one has the perfect right plan.

During the Democratic primary Senator Clinton criticised Senator Obama for not requiring universal coverage. Was she right?

It's a matter of definition. At Aetna we believe there should be an individual coverage requirement.

So you're with Hillary?

There's a slight difference . . . we believe everyone who can afford health insurance should be expected to buy insurance.

How do you enforce it?

You could leave it to federal and state legislators to come up with different approaches. You have different mechanisms, whether it's filing your taxes, getting a driver's licence, registering to vote.

You wouldn't be allowed a driver's licence without health insurance?

That's something some states might want to try.

You are a big proponent of electronic records. Are there privacy worries?

The electronic medical record belongs to the member, it doesn't belong to the health plan or the employer. We believe it is important to have in place the right safeguards and security features to be certain that members can be comfortable that that data will be used appropriately.

Can you guarantee the employer doesn't have access to that data?

Yes, there are very stringent safeguards, and the safeguards have been in place for some time.



Americans often complain about the difficulty of settling claims. Is that something that happens on purpose or something you're trying to fix?

Nothing would make [us] happier than if we really could wire the system electronically, and have the entire healthcare system function the way that the financial system functions in terms of electronic point of sale and no paper. We're really not there yet.

But do you deny claims on purpose to keep down how much we claim? Or is that an urban legend?

It is an urban myth. If someone has a health problem, it costs a lot less to make certain they get treated for that problem quickly and effectively, as opposed to having a problem become bigger.

How much would you say doc-

tors' fears of malpractice are to blame for the high cost of US healthcare?

The data indicates that it's about 10 per cent, and that's a combination of the actual cost of litigation, along with the preventive nature of the screening.

And are we better off that doctors conduct that extra test, or is it a waste?

The data indicates that by and large it is a waste.

Is healthcare the next big area for IT growth?

Healthcare is an extremely important area, particularly at the physician office level.

Are doctors open to being told by computers what the right treatment is?

I don't think we want to tell doctors what the right treatment is; we want to be certain that doctors know everything that should be

known about a patient, so they can apply clinical judgment to it.

You're one of the still rare minority CEOs in America. How has that shaped your career?

You have different experiences, you see the world differently, and that can be helpful when solving problems.

Should companies try hard to recruit a diverse workforce?

It does require leadership. I spent almost 20 years in California, and the beauty of that was that everyone was a minority, and you soon learned that you had to build businesses that really were reflective of all communities.

Christia Freeland