

TESTIMONY

PPACA Enrollment and the Insurance Industry

Mr. Dennis Matheis

WellPoint, Inc.

Subcommittee on Oversight and Investigations

Committee on Energy and Commerce

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Chairman Murphy, Ranking Member DeGette, and Members of the House Energy and Commerce Subcommittee on Oversight and Investigations, thank you for the opportunity to be here today on behalf of WellPoint. I am Dennis Matheis, President Central Region & Exchange Strategy. I am responsible for creating WellPoint's exchange strategy and overseeing its launch. Prior to my current role, I was President of Anthem Blue Cross and Blue Shield in Missouri.

WellPoint is one of the nation's leading health benefits companies. We believe that our health connects us all. So we focus on being a valued health partner and delivering quality products and services that give members access to the care they need. With nearly 67 million people served by our affiliated companies, including nearly 37 million enrolled in our family of health plans, we can make a real difference to meet the needs of our diverse customers.

We are an independent licensee of the Blue Cross and Blue Shield Association. We serve members as the Blue Cross licensee for California; and as the Blue Cross and Blue Shield licensee for Colorado, Connecticut, Georgia, Indiana, Kentucky, Maine, Missouri, Nevada, New Hampshire, New York, Ohio, Virginia, and Wisconsin. In most of these service areas, our plans do business as Anthem Blue Cross, Anthem Blue Cross and Blue Shield, Blue Cross and Blue Shield of Georgia and Empire Blue Cross Blue Shield, or Empire Blue Cross. We also serve customers in other states through our Amerigroup and CareMore subsidiaries.

WellPoint is currently operating in the Federally Facilitated Exchange, which includes Georgia, Indiana, Maine, Missouri, New Hampshire, Ohio, Virginia and Wisconsin. We also participate in several state-based exchanges, including California, Colorado, Connecticut, Kentucky, New York, Nevada. While there is no doubt that implementation of the exchanges presents a complex and daunting undertaking, we believe we've been able to apply our knowledge and experience to make the system work better for our members. We are seeing strong membership growth and large percentages of our newly enrolled customers are successfully paying their premiums by the due date.

Our most important priority through all of the complexity of ACA implementation is to ensure that our members receive the best possible care. Working closely and collaboratively with the physician community, our innovative programs – from new payment models to telehealth solutions to sophisticated data analytics that arm physicians with better information – are creating value for our members, for physicians, and for the health care system. We are proud of the work we are doing to transform health care.

WellPoint was pleased to provide the Committee last month with enrollment data from October 1, 2013 through April 15, 2014 for states where we participate in the Federally Facilitated Exchange. As we stated to the Committee at the time of submission – this data is not final and only represents a snap-shot in time. The data included enrollees whose policies have effective dates of April 1, May 1, and June 1 – which means that premiums for such policies would not be due until April 10th, May 10th and June 10th, respectively. Also, the

reported enrollment and premium payment data is subject to adjustments. For example, enrollees may elect to drop their coverage, elect to change the effective date of their coverage after submission of their application, or continue to enroll through special enrollment periods.

In response to the Committee's request, we submitted the total number of applications received for enrollment in the Federally Facilitated Exchange during the period October 1, 2013 through April 15, 2014. The percentage of applicants that have paid a premium will differ depending on whether the percentage is calculated based on the total number of applications and premium payments received during this entire time period (roughly 70 percent) or is calculated based on the total number of applications and premium payments received for policies whose premium deadline has passed (ranging up to 90 percent depending on the state).

WellPoint feels privileged to be able to serve our growing community of members. We take great pride in transforming health care with trusted, caring, creative and innovative solutions.

I thank the Committee for the opportunity to testify today on behalf

of WellPoint and look forward to your questions.