

November 19, 2007

**THE JOURNAL REPORT: WOMEN TO WATCH****Angela Braly Tops the List**

By VANESSA FUHRMANS

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Five months into her job as **WellPoint** Inc.'s chief executive, Angela Braly was on a three-week tour rallying the troops at the health-insurance behemoth's operations across 14 states.

**ANGELA BRALY**

*President and Chief Executive*  
**WellPoint**

On the agenda that morning: giving a pep talk to managers at the company's Empire Blue Cross Blue Shield plan in New York. Along with other insurers, Empire had recently come under fire from the state's attorney general over whether its planned doctor-rating programs simply tried to steer members to less-expensive physicians.

Ms. Braly told the assembled managers that, despite the flak the company had been getting, measuring physicians would help guide consumers, just as other WellPoint initiatives had, like selling less-expensive plans to the uninsured and providing counseling for people who need complex and costly specialty drugs. Several weeks later, as if to underline Ms. Braly's point, her company reached an agreement with the New York attorney general on criteria that Empire will use in measuring and disclosing physicians' performance.

"Part of the reason we're a lightning rod is that we have to be the disciplinarians around health-care costs," Ms. Braly said in a recent interview. "But we have to remind our [employees] how they're making a difference in people's lives. We're in a very personal business."


The 46-year-old Ms. Braly sees rousing WellPoint's 42,000 employees with her can-do pluck as no small part of her job. As the health-insurance giant's new CEO, she has become arguably the most powerful woman in corporate America this year. With \$60 billion in annual sales and nearly 35 million members in its Blue Cross Blue Shield plans across the country, WellPoint is the country's largest health insurer.

Ms. Braly's position also makes her one of the most powerful voices in the ongoing health-care debate. As the number of America's uninsured climbs toward 50 million and the momentum for health reform intensifies, Ms. Braly will play a big role in shaping the debate. Her most critical task will be protecting her company's interests -- and profits -- in the face of growing pressure for a larger government role in health care, and showing how WellPoint is making a difference in health care for the better.

"A politician once told me, 'Know who you are, because a lot of people will tell you what you should be,'" she says. "We need to know who we are as a company, and we need to be a company that delivers value and can prove it."

That challenge helps explain how Ms. Braly was picked for the CEO job. General counsel and government-affairs strategist before the promotion, she was chosen over several more senior and more visible executives. Her appointment, announced in February, took Wall Street by surprise. But her public-relations savvy and ability to court legislators and regulators -- not to mention her hands-on experience running a health plan -- made it clear to the board that she was "what WellPoint needed going forward," a person close to the selection process says.

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## Role of Politics

As the debate around reforming America's inefficient and increasingly unaffordable health-care system grows louder, it's not just fans of Michael Moore's "Sicko" who have the health-insurance industry in their sights. A key part of Gov. Arnold Schwarzenegger's proposal for universal coverage in California would try to cap insurers' profits by requiring them to spend at least 85% of premiums they collect on patient care. The subsidies that managed-care companies are paid to provide private Medicare plans have come under repeated attack in Congress this year as being far too generous.

And as the country heads into the 2008 presidential election season, the candidates are escalating the rhetoric with their own plans to fix the system. Sen. Hillary Clinton's plan, in particular, has called for safeguards that require private insurers to accept everyone who applies, including the very sick or those seen at risk of becoming ill, and bars private insurers from charging large differences in premiums because of age, gender or occupation.

A mother of three, Ms. Braly has a personable nature that belies her steeliness and skill as a tough-minded negotiator, colleagues and acquaintances say. She's also firm on where WellPoint stands on the issues.

While she promotes a blend of private and public initiatives to expand health-care coverage, she says a private system is necessary to inject the innovation and competition needed to improve the system. She's a big believer in letting consumers determine the level of coverage they can afford. She also says implementing mandates to require individuals to have health insurance is an ineffective way to force people to buy coverage. In California, WellPoint is one of the few major insurers to oppose the Schwarzenegger plan to make insurers accept all applicants.

"We want to fix what's broken, not fix what isn't broken," Ms. Braly says.

"I like to characterize her as soccer mom on one hand and Napoleonic soldier on the other," says John O'Rourke, a former WellPoint regional president and former CEO of RightCHOICE Managed Care Inc., a Missouri Blue Cross Blue Shield plan operator acquired by WellPoint in 2002. Mr. O'Rourke, who is now retired, hired Ms. Braly as RightCHOICE general counsel in 1999, the entrée to her swift rise at WellPoint. "Some people get fooled, and they don't perceive her as tough," Mr. O'Rourke says, "but she is."

## Market Force

She also leads a highly profitable and powerful company. WellPoint became the country's largest health insurer in 2004, with the merger of Anthem Inc. and WellPoint Health Networks -- the company's two biggest operators of for-profit Blue Cross and Blue Shield plans. With \$46 billion in market capitalization, WellPoint's earnings totaled more than \$3 billion last year, up 25% from \$2.46 billion in 2005, and are on track to rise 15% this year. It's the largest health insurer in 13 of 14 states where it operates, including California, Virginia, New York, Georgia and much of the Midwest, and typically controls at least one-third of its markets.

Its broad networks, large array of health-plan products and well-known Blue brand have helped WellPoint grow more than most rivals. But as many smaller employers struggle to provide health benefits and fewer individuals are able to afford coverage on their own, the company has struggled against the same stagnant growth in the commercial market as the rest of the industry has. Last month, WellPoint trimmed its enrollment projections for the year to a net increase of just 800,000 new members. Its original forecast had been for 1.4 million new members.

### MANAGER'S DIARY



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### QUESTION OF THE DAY



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All else being equal, would you prefer to work for a man or a woman? [Vote and discuss](#)<sup>9</sup>.

Ms. Braly, a Dallas native, studied law at Southern Methodist University but moved to St. Louis because of her husband's job in his family's trucking business. In St. Louis, she eventually became partner at Lewis, Rice & Fingersh LC, a prominent local law firm. She planned to "practice law forever," she says, but then was assigned in 1997 to act as interim counsel to Blue Cross Blue Shield of Missouri to help in a messy legal and political battle to convert the plan to for-profit status. One of her mentors at Lewis, Rice cautioned her not to devote more than a year to the imbroglio, but "I became so invested in it," she says. "I felt we were really striving to do the right thing."

Ms. Braly won over regulators and community groups with a deal to set up a foundation that would finance health care for uninsured Missourians. "She knows how

to build coalitions around her," says Kathy Osborn, executive director of the Regional Business Council in St. Louis. Ms. Braly was adamant that the foundation disperse grants for projects that the state wasn't already addressing, such as dental care in the boot-heel region in southeast Missouri. Since it began, the foundation has distributed more than \$200 million in grants to those kinds of nonprofits.

Ms. Braly became the in-house general counsel of RightCHOICE, the parent company of Blue Cross Blue Shield of Missouri, in 1999. Then, after WellPoint acquired RightCHOICE in 2002, she was appointed CEO of WellPoint's Missouri unit. From there, she played a key advisory role in overcoming political and regulatory hurdles to the 2004 merger with Anthem. And after that deal, WellPoint CEO Larry Glasscock asked her to move to WellPoint's Indianapolis headquarters as corporate general counsel. She consulted her former boss Mr. O'Rourke about moving her family there.

"I told her, 'If you go to Indianapolis, you will some day be running the whole thing,'" Mr. O'Rourke says. "It didn't surprise me. She's got the perfect profile for a health-insurance CEO."

### Taking the Helm

Ms. Braly says she's more amazed than annoyed by the buzz that surrounded her appointment to the top post. Many on Wall Street had thought then-finance chief David Colby or John Watts, president of WellPoint's consumer and commercial business, would get the job.

"The biggest surprise was the surprise that I got it, this idea that, 'Oh, you came out of nowhere,'" she says. "The reality is that there are so many women who are doing their jobs and doing it very effectively."

A day before she took the helm, she and outgoing CEO Mr. Glasscock had to announce another surprise management shakeup: Mr. Colby, the finance chief, had agreed to resign because of an undisclosed code-of-conduct violation. It later emerged that Mr. Colby was entangled in multiple romantic relationships, including one with a former employee. An attorney for Mr. Colby said he and his client declined to comment.

Despite initial investor concerns that Mr. Colby's departure would leave WellPoint with a void at the top, Ms. Braly announced a further reorganization last month. The new structure is cleaner and allows it to sell more of its products to a wider range of its customers, such as vision and dental benefits to members in its traditional health plans. The new plan also made clear that three other high-level executives from WellPoint's old guard would go through with their planned retirements or departures over the next year.

"She's not afraid to deal with tough challenges," says Randy Brown, WellPoint's chief human-resources officer. "She deals with the reality that she has, not the reality that she'd like."

She has also set the tone for WellPoint's family-friendly culture. With her husband now a stay-at-home dad, Ms. Braly is known for her stamina and for keeping a busy schedule visiting WellPoint employees, customers and hospital systems around the country. Still, WellPoint's board rescheduled a board meeting earlier this year so she could attend her daughter's fourth-grade play. And earlier this month, Ms. Braly skipped the monthly dinner with her top management team because it was her daughter's birthday. "She sets the tone for the rest of us to do the same with our kids," Mr. Brown says.

### Consumer Ratings

Ms. Braly says establishing WellPoint as a friendly partner to consumers in health care is key to its success. The company last month announced it would team up with Zagat -- a purveyor of consumers' restaurant and hotel ratings -- to let health-plan members go online to rate and review their experiences with doctors. Beginning this year, the company also is tying a portion of bonuses for managers and employees to improvements in the health of its 35 million plan members. WellPoint has an index that measures how well and how often patients receive recommended screenings, preventive care, and monitor chronic conditions. Bonuses are determined, in part, by changes in the overall health index score.

In California, meanwhile, the company has taken an active role in the debate over Gov. Schwarzenegger's proposal for universal health-care coverage. Earlier this year, WellPoint launched a \$2 million advertising campaign in the state to warn that aspects of the Schwarzenegger plan, such as forcing insurers to take on any customer, could make coverage more

#### NEW FACES THE TOP



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unaffordable.

"It's hard to see why they're in such strong opposition stance," given that the governor's proposal still gives health insurers a lot of breaks and outs, says Jerry Flanagan, a consumer advocate at the California-based Foundation for Taxpayer and Consumer Rights.

Ms. Braly, for her part, says WellPoint is just taking a position that's based on its experience with reform in other states.

"A lot of the same ideas around reform have been tried," she says, "and we think we can bring to the dialogue what works and what may not work."

--Ms. Fuhrmans is a Wall Street Journal staff reporter in New York.

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