

Reality a life-changer for insurance exec

Opponents suggest that a "government takeover" of health care will be a milestone on the road to "socialized medicine," and when he hears those terms, Wendell Potter cringes. He's embarrassed that opponents are using a playbook that he helped devise.

"Over the years I helped craft this messaging and deliver it," he noted.

Potter was an executive in the health insurance industry for nearly 20 years before his conscience got the better of him. He served as head of corporate communications for Humana and then for Cigna.

He flew in corporate jets to industry meetings to plan how to block health reform, he says. He rode in limousines to confabs to concoct messaging to scare the public about reform. But in his heart, he began to have doubts as the business model for insurance evolved in recent years from spreading risk to dumping the risky.

Then in 2007 Potter attended a premiere of "Sicko," Michael Moore's excoriating film about the American health care system. Potter was taking notes so that he could prepare a propaganda counterblast — but he found himself agreeing with a great deal of the film.

A month later, Potter was back home in Tennessee, visiting his parents, and dropped in on a three-day charity program at a county fairgrounds to provide medical care for patients who could not afford doctors. Long lines of people were waiting in the rain, and patients were being examined and treated in public in stalls intended for livestock.

"It was a life-changing event to witness that," he remembered. Increasingly, he found himself despising himself for helping block health reforms. "It sounds hokey, but I would look in the mirror and think, how did I get into this?"

Potter loved his office, his executive salary, his bonus, his stock options. "How can I walk away from a job that pays me so well?" he wondered. But at the age of 56, he announced his retirement and left Cigna last year.

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COMMENT



This year, he went public with his concerns, testifying before a Senate committee investigating the insurance industry.

"I knew that once I did that my life would be different," he said. "I wouldn't be getting any more calls from recruiters for the health industry. It was the scariest thing I have done in my life. But it was the right thing to do."

Potter says he liked his colleagues and bosses in the insurance industry, and respected them. They are not evil. But he adds that they are removed from the consequences of their decisions, as he was, and are obsessed with sustaining the company's stock price — which means paying fewer medical bills.

One way to do that is to deny requests for expensive procedures. A second is "rescission" — seizing upon a technicality to cancel the policy of someone who has been paying premiums and finally gets cancer or some other expensive disease. A congressional investigation into rescission found that three insurers, including Blue Cross of California, used this technique to cancel more than 20,000 policies over five years, saving the companies \$300 million in claims.

As The Los Angeles Times has reported, insurers encourage this approach through performance evaluations. One Blue Cross employee earned a perfect evaluation score after dropping thousands of policyholders who faced nearly \$10 million in medical expenses.

Potter notes that a third tactic is for in-

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surers to raise premiums for a small business astronomically after an employee is found to have an illness that will be very expensive to treat. That forces the business to drop coverage for all its employees or go elsewhere.

All this is monstrous, and it negates the entire point of insurance, which is to spread risk.

The insurers are open to one kind of reform — universal coverage through mandates and subsidies, so as to give them more customers and more profits. But they don't want the reforms that will most help patients, such as a public insurance option, enforced competition and tighter regulation.

Potter argues that much tougher regulation is essential. He also believes that a robust public option is an essential part of any health reform, to compete with for-profit insurers and keep them honest.

As a nation, we're at a turning point. Universal health coverage has been proposed for nearly a century in the United States. It was in an early draft of Social Security.

Yet each time, it has been defeated in part by fear-mongering industry lobbyists. That may happen this time as well — unless the Obama administration and Congress defeat these manipulative special interests. What's un-American isn't a greater government role in health care but an existing system in which Americans without insurance get health care, if at all, in livestock pens.

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