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FOR IMMEDIATE RELEASE

IHA APPOINTS TOM R. WILLIAMS NEW EXECUTIVE DIRECTOR

Will Lead Implementation of Pay for Performance

WALNUT CREEK, CA – March 30, 2004 The Integrated Healthcare Association (IHA), a statewide health care leadership group, today announced the appointment of Tom R. Williams as the organization’s Executive Director. Williams is a senior health care executive with extensive management experience at the national level and in the unique California market. He was head of Aetna’s west region and board President of Aetna California, Inc. during his 14 years with Aetna (1989-2002). Williams has also served in senior strategic positions in health plan, medical group, behavioral health and pharmacy management. Most recently, he has consulted in healthcare management, information management and business development while pursuing a doctorate in public health at UCLA.

“We’re very excited to bring Tom Williams on board to lead IHA. He combines business and care delivery experience with knowledge of health policy that will serve the IHA mission well,” according to Tom Davies of Verizon and the chair-elect of IHA. “He is very well-known and a highly respected executive who will advance IHA’s constructive partnerships.”

“I’m interested in collaborative efforts that impact care delivery and create better products for consumers. IHA has a diverse and influential membership that works to achieve this goal. Pay for Performance (P4P) is a great example,” says Williams.

IHA’s P4P statewide initiative is the country’s largest physician incentive program. Participants include 50,000 doctors, 220 medical groups and 6 health plans providing care

to 8 million people. Those 6 plans - Aetna, Blue Shield of California, Blue Cross of California, Cigna, Health Net and PacifiCare - will each use the common P4P metrics but will determine their own bonus payments to medical groups. In 2004, the incentive program is expected to result in \$100 million in additional payment to medical groups. The program metrics measure clinical quality, patient experience and investment in information technology systems that support patient care. Results will also be publicly reported.

“This work has moved the national agenda forward” according to Ron Bangasser, MD, immediate past president of the California Medical Association. “Paying more to change behavior works. We look forward to expanding the program to more patients and to keep raising the bar on quality indicators.”

Steve McDermott, CEO of Hill Physicians, the state’s largest physician group suggests that “part of the challenge of this position and P4P in particular, involves understanding the viewpoints of all the different stakeholders – health plans, physician groups, purchasers and consumers - and what motivates them. Tom Williams does and he knows making a successful business case for quality impacts everyone.”

“Ultimately, it’s the consumer who benefits from IHA work. P4P provides an opportunity for stakeholders to work together to improve health care quality and address public health issues in California in an organized way” according to Lance Lang, MD of Health Net.

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IHA (www.iha.org) is a statewide leadership group of California health plans, physician groups, and health care systems, plus academic, consumer, purchaser, pharmaceutical and new technology representatives, committed to policy development, special projects and public dialogue on health policy and the evolution of managed care.

Pay for Performance (P4P) is a statewide collaborative, managed by IHA, designed to create a business case for quality of care by rewarding physician groups. Health plans will use common metrics on performance in quality of care, patient experience and investment in information technology systems that support patient care. Each health plan will determine their own individual bonus payments to contracted physician groups. IHA P4P management costs are supported in part by the California Healthcare Foundation as part of the national Rewarding Results program.