

THE
ECONOMIC
CLUB OF
CHICAGO

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The Club hosted its First Dinner Meeting of the 2019-2020 Program Year on October 21 featuring Cigna President & CEO David M. Cordani. After Mr. Cordani gave brief remarks, he joined Club Chair Debra A. Cafaro on stage for a moderated conversation on health and healthcare.

Excerpts from the speech and conversation are below:

On the state of American health...

“The United States is indisputably the largest sick care delivery system in the world, where incentives reward those that are intervening once sickness has already occurred. It's the system that we've built. We should therefore not be surprised that, unfortunately as a country, we're actually getting sicker every day.”

On public expectation...

“Americans more than ever are demanding more from the healthcare system. They want health, they want to address health, not just sickness, and they want a system that delivers in an affordable, personalized fashion with some level of predictability and some ease of navigation that they've learned to believe from other systems are possible. Our system must pivot.”

On what he considers America's "bright spots"...

“Let's imagine a system, for example, where costs rise at a rate no greater than a rate of consumer price index, similar to other costs that individuals incur. A system where healthcare professionals and delivery system partners are actually rewarded and paid for keeping people healthy, and for services that are never consumed. Where healthcare experiences are as personal and convenient as they are in other industries. Now, the good news is that envisioned future already exists in our great country, but in pockets. They are pockets or as I like to call them, bright spots. Bright spots where millions of people today are consuming much more coordinated active care management and lifestyle management programs. Largely those are delivered through Medicare Advantage and the employer-sponsored system.”

On current political rhetoric regarding healthcare...

“[At Cigna] we think that the current debate around government run healthcare is an incomplete debate at most. Said otherwise, arguing over who finances an unaffordable sick care system is not sustainable, and it doesn't transform our healthcare system from a sick care system to a healthcare system. It just shifts the costs and the financing.”

On the significance of public-private partnerships in improving healthcare...

“Within those partnerships, we take and harness the power of the private system to drive innovation, personalization, and in the United States, to bring localized solutions that deliver what local markets need, demand and want from their cultural norms of healthcare. Yet the government plays a very important role, both providing funding for those who need a critical safety net, as well as developing important standards around competition, around innovation, around data interoperability, to enable that system to move forward.”

On what his framework for a healthcare system in the United States would look like...

“I'd do three things. One, every individual would have some level of incentive and disincentive tied to their lifestyles and behaviors. Only those who didn't have control over those lifestyles and behaviors would be pulled away from that. Two, 100% of every dollar spent in healthcare would be tied to some value-based outcome. Our US healthcare system is the biggest break-fix, volume-based funding system in the world. It has to pay based upon the quality of the outcomes. So engage the individual and support them, reward the healthcare professionals and the delivery systems for the quality of what they deliver and not the volume of what they deliver. Then once and for all, harness data with lack of interoperability from interoperability to enable individuals to actually make those informed decisions.”

On the high costs of innovative care and Cigna's response...

“If we take a \$2 million intervention for childhood spinal issues, absent that medication, the child would not live. Period. The muscular system would not develop under a diagnosis, the child would not live. Now, with that \$2 million drug, the child could live. Who pays for it? How is it funded? That's a societal challenge. We've tried to step into that breach. We've founded an organization called Embark. It's a not-for-profit. It's taken initially two high-cost gene therapies and worked with the pharmaceutical manufacturers on unique contracts. Any entity could contract with Embark to consume the services out of that.”

On Embark and the re-imagined services it provides..

“[It's an] open architected, not-for-profit, value-based care contract [with] singular clinical protocols as agreed to by the clinical community. Then entities like Cigna could contract with and consume the services out because we think society is better off for the small amount of events that are going to happen. Whether you're a 100-life employer or a 1000-life employer, you can't handle many \$2 million surprises, and we don't need 50-life employers getting a \$2 million surprise because it'll bankrupt them, and that's a societal failing. So that's a way in which we're trying to step in and try to solve the problem as opposed to just observe it.”

On the drive that has led him to complete 125 triathlons...

“For me, it became a way of life. And from a business standpoint, it's similar. You have a goal, you set a strategy, you put a plan together, you execute the plan. [When] you go on the race course, there's always a negative surprise, something always happens on the race course unexpectedly, and how do you overcome that relative to the goals that you have in front of yourself. I found myself going back and going back and testing it from that standpoint, and it became a way of life: stress management, health, resiliency, energy level.”

On his work with Achilles International and serving as a guide to wounded veterans running marathons...

“My time has been spent largely with veterans recently dealing with their injuries and all are double-amputees or single-amputees. In a lot of cases, they're questioning worth and purpose, and starting over from scratch. So you're getting in their head pretty deeply in terms of, ‘are they setting the goal because it's something that they want to accomplish?’ So you spend a lot more time in the physical side and the mental side in terms of why; why is this important to you? Then once you feel like they own the goal, you go at it with them.”

On what has made him passionate about serving others...

“At some level, the more you engage, the more it kind of leverages itself and feeds on itself. I think anything is possible. Then you touch what you think is impossible and you find something magical that happens. The first soldier I saw accomplish [a marathon], it was unbelievable and unspeakable from my standpoint. [...] I call it ‘to gift to get.’ I think actually the giver gets more than the receiver, from my point of view. Most people think it's the other way around. I actually think it's the opposite and it just leverages itself in a very healthy way.”

On what he envisions for the future of Cigna and healthcare in America...

“What drives us is changing this conversation from sickness to health. Going from the introduction of the whole person: mind, body, health. Introducing the concept that, ladies and gentlemen, we have a loneliness epidemic in our country. We did the largest study of its kind with UCLA, and not only does it show us that almost 50% of Americans are lonely, what blew me away is it's our youth that are the most lonely. That should take all of our breath away. [...] So to me, it's a call to actually shift gears and say, ‘We have to work to get our society healthier.’ Mind and body.”

Please note that the content of this program was edited and condensed for clarity.