Palo Alto Medical Foundation and Cigna Collaborate to Create Cigna's First Accountable Care Program in California

MOUNTAIN VIEW, Calif. & BLOOMFIELD, Conn., July 17, 2012 - Cigna (NYSE:CI) and the Palo Alto Medical Foundation (PAMF), a not-for-profit health care organization that is a pioneer in the multispecialty group practice of medicine, have launched a collaborative accountable care initiative to expand patient access to health care, improve care coordination, and achieve the "triple aim" of improved health outcomes (quality), lower total medical costs and increased patient satisfaction. Collaborative accountable care is Cigna's approach to accomplishing the same population health goals as accountable care organizations, or ACOs.

PAMF is part of the Sutter Health family of not-for-profit hospitals and physician organizations that share resources and expertise to advance health care quality. A pioneer in outpatient medicine, PAMF operates more than 40 individual medical clinics that together serve over 750,000 patients in communities covering Alameda, San Mateo, Santa Clara and Santa Cruz counties.

This patient-centered collaboration is Cigna's first accountable care initiative in California. It links doctors, hospitals and a single health plan together with the goal of reducing health care costs by improving patients' health.

The program will benefit as many as 21,000 individuals covered by a Cigna PPO health plan who receive care from PAMF's more than 1,000 primary and specialty care physicians, including those in its affiliated independent physician association, Mills-Peninsula Medical Group.

"Cigna is a national leader in accountable care, which is why we are enthusiastic about working with the company as part of this program," says PAMF Chief Executive Officer Richard Slavin, M.D. "We believe this arrangement offers a wonderful opportunity for us to improve health care quality, lower medical costs and help our patients lead healthier and more productive lives."

"PAMF is a pioneer in the adoption of electronic health record technology to coordinate care, reduce errors and improve communication between clinicians and patients. These technologically advanced capabilities make PAMF uniquely suited to a collaborative accountable care initiative," Dr. Slavin adds.

"It is critical that insurers and health care providers work more closely together to improve service to patients," says Cecilia Montalvo, regional vice president of strategy and business development at PAMF and the Peninsula Coastal Region of Sutter Health. "We believe that by partnering with Cigna, we are entering into the type of health plan-health care provider collaboration that will serve as a model for the future in rewarding innovation and quality of care."

Patients will continue to go to their current physician and will automatically receive the benefits of the program. There also are no changes in any plan requirements regarding referrals to specialists. Patients most likely to see the immediate benefits of the program are those who need help managing chronic conditions, such as diabetes or heart disease.

Critical to the program's benefits are registered nurses, who serve as clinical care coordinators to help patients navigate their health care system. The care coordinators will reach out to patients who are overdue for important health screenings or who may have skipped a prescription refill. In addition, patients who may be at increased risk of developing health problems in the future will be offered preventive services such as disease management programs for diabetes, heart disease and other conditions; and lifestyle management programs, such as programs for tobacco cessation, weight loss and stress management.
This initiative is unique in using data and analytics to focus health care professionals more fully on engaging patients to improve the coordination of their care as well as develop best practice clinical initiatives across all PAMF locations. Cigna will compensate PAMF for the medical and care coordination services it provides. Additionally, the organization may be rewarded through a "pay for performance" structure if it meets its targets for improving quality and lowering medical costs. Employers who sponsor health plans will benefit from lower health care costs or health care costs that increase at lower rates.

"PAMF shares our vision for a patient-centered health care system that emphasizes prevention and primary care and rewards physicians for care quality and health outcomes," said Peter B. Welch, president for Cigna in northern California. "We believe that a system that's focused on value rather than volume of care offers the best path to improved health and lower medical costs, which is good for individuals, families, employers and doctors."

The principles of the patient-centered medical home are the foundation of Cigna's collaborative accountable care initiatives. Cigna then builds on that foundation with a strong focus on collaboration and communication with medical organizations. Cigna is now engaged in 38 patient-centered initiatives in 19 states, including six multi-payer medical home pilots and 32 Cigna-only collaborative accountable care initiatives. The collaborative accountable care initiatives encompass more than 300,000 Cigna customers and more than 45,000 primary care physicians.

About Cigna

Cigna Corporation (NYSE: CI) is a global health service company dedicated to helping people improve their health, well-being and sense of security. All products and services are provided exclusively through operating subsidiaries of Cigna Corporation, including Connecticut General Life Insurance Company, Cigna Health and Life Insurance Company, Life Insurance Company of North America and Cigna Life Insurance Company of New York. Such products and services include an integrated suite of health services, such as medical, dental, behavioral health, pharmacy and vision care benefits, and other related products including group disability, life, and accident coverage. Cigna has sales capability in 30 countries and jurisdictions, with approximately 70 million customer relationships throughout the world. To learn more about Cigna®, including links to follow us on Facebook or Twitter, visit www.cigna.com.

About the Palo Alto Medical Foundation

The Palo Alto Medical Foundation for Health Care, Research and Education (PAMF) is a not-for-profit health care organization that is a pioneer in the multispecialty group practice of medicine. PAMF is part of the Sutter Health family of not-for-profit hospitals and physician organizations that share resources and expertise to advance health care quality. Serving more than 100 communities in Northern California, Sutter Health is a regional leader in cardiac care as well as care of women and children, and is a pioneer in advanced patient safety and health information technology.