

Committed to New Jersey

An Interview with Robert A. Marino, President and Chief Executive Officer, Horizon Blue Cross Blue Shield of New Jersey



Robert A. Marino

EDITORS' NOTE Robert Marino has nearly four decades of experience in the Blue Cross Blue Shield system. He began his health insurance career with Blue Cross Blue Shield of New Jersey before taking a position with Empire Blue Cross Blue Shield in New York. At Empire BCBS, he served as Vice President of National Accounts and Assistant Vice President of Professional Benefits Administration.

COMPANY BRIEF The state's oldest and largest health insurer, Horizon Blue Cross Blue Shield of New Jersey (www.HorizonBlue.com), is a tax-paying, not-for-profit health services corporation, providing an array of medical, dental, and prescription insurance products and services. Horizon BCBSNJ is an independent licensee of the Blue Cross Blue Shield Association, serving more than 3.6 million members with headquarters in Newark and offices in Wall, Mt. Laurel, and West Trenton.

How have you been so consistent in delivery and performance and what is the strength of the business today?

One of our strengths is that we are a local company. We have been in business in New Jersey for 80 years. We essentially compete against national carriers that have a footprint across the U.S., and our deep footprint is directly in New Jersey. So our knowledge of the state, the health care delivery system here, and the local communities is a competitive strength we capitalize on.

There is also an inherent value in the Blue Cross Blue Shield brand that, to many of our customers, represents security, financial integrity, and peace of mind.

So our success comes from the deep roots in the state, our knowledge of the local delivery system, and the strength of our brand.

Is it challenging to get the message out about what differentiates Horizon in the space?

The advantage we have is we live the message: we live in the community, we grew up in New Jersey, our employees are embedded in the community, we know the local political infrastructure of the state, and we know the issues that the state confronts – we have a deep knowledge of the state because of our local presence and that gives us credibility in a local marketplace.

How have you been so successful on the retention side? How do you attract the talent and what is the investment in training?

Our foremost objective when we recruit is to look for people who have the talent to be in the business but, more importantly, people who share our core values. At Horizon, that is represented by three words: integrity, excellence, and caring. We look for those qualities in our employees because we are in the business of providing access to health care and the folks we hire have to have a very deep commitment to making a difference. We make it a priority in our recruitment and promotion efforts to look for and reward people who share those values.

When it comes to your philanthropic efforts, is it important that the giving aligns with the business strategy?

Absolutely. What differentiates us is the commitment Horizon makes to the communities in New Jersey. We created The Horizon Foundation in

2004, and since then, we have provided over 700 grants totaling more than \$24 million to nonprofit charitable organizations across the state. Health care is about 80 percent of the foundation's funding priority and the remaining 20 percent goes to arts and cultural organizations in the state.

So in our charitable giving and the work we do through our foundation, we try to make a connection to health care, access to health care, and improve the quality of health care, which aligns with the mission of Horizon.

Do you need to put metrics around community investment to track impact?

On the philanthropic side, we assess and measure the impact of our grants. Most foundations have mechanisms where they will go back and determine the value that was created as a result of a grant.

Being headquartered in Newark, you have a Mayor in Cory Booker who is very vocal about transforming the city. What has his commitment meant to Newark?

I'm a CEO running a Newark-based company who was born in Newark, who spent the first 12 years of my life in Newark, and who was educated in Newark, having graduated from Rutgers Newark College of Arts & Sciences. I'm delighted to see the Mayor's energy and commitment to economic development, job creation, and revitalization of the city, and we're beginning to see the dividends of that energy.

Is it tough to get the message out about the type of change that is taking place in Newark?

Public perception lags reality, but when one visits Newark, that perception is often dispelled. We have a world-class performing arts center with the New Jersey PAC; we have the Prudential Sports Arena because of the commitment that the New Jersey Devils made to call Newark their home; and there are cultural initiatives like the Newark Museum. Panasonic Corporation just announced they are breaking ground on building an office tower here. So we need to change the perceptions of people who have not visited Newark and don't know what's happening here.

The Mayor says addressing real change will come from a public/private partnership. Have you been happy with that relationship and how leaders have been brought into the discussion?

Yes. The Mayor has been effective at bringing in the private sector and building collaborations. The business leaders in this city have access to the Mayor; he's interested in our perspectives, and that has made a favorable impression upon me.

Has the U.S. taken a step towards true health care reform today?

We have taken the initial step, but there is a lot more work to be done. The federal health care reform law that was passed and signed by the President in March 2010 – what we know as the Affordable Care Act – did a lot to improve access to health care; some 46 to 48 million people don't have access to insurance and the federal law is going to provide access to some 30 million of that number.

What we need to work on is the year-over-year increasing cost in health care and improving the quality of health care. Companies like Horizon are working hard to address the cost and quality issues. We live in a health care delivery world that is built on fee-for-service, which means the more services one performs, the more fees one generates. We fundamentally need to change the incentives in the system to reward quality and outcomes of care in order to drive the costs down and get waste out of the system. ●