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The Honorable Tommy G. Thompson Brings A New Dimension To Health Care In The Private Sector

The Editor interviews the Honorable Tommy Thompson, Partner, Akin Gump Strauss Hauer & Feld LLP, who prescribes a new formula for improving health care in the private sector.

Editor: Mr. Thompson, you have a long history of public service; would you tell our readers about some of the highlights of your term as Secretary of Health & Human Services?

Thompson: My term of four years as Secretary of Health and Human Services was an extremely dramatic and unparalleled time in history, the first time we have ever put the country on a national health emergency basis. No secretary had ever before been responsible for securing vaccines for the entire U.S. – for smallpox, anthrax and SARS. At the time of 9/11 there were only 14,000 doses of smallpox vaccine. We increased this amount to 400,000,000 doses in the course of preparing the country for such emergencies. We set up a War Room where we used innovative technologies in assuring there was no food adulteration. Our department oversees the CDC, NIH, Medicare for 42,000,000 individuals, health care for Native Americans, and the FDA, which is the oversight body for 25 percent of our GDP.

Editor: As the only Governor of Wisconsin to be re-elected for a third and fourth term, your tenure in that office brought about such notable accomplishments as the welfare-to-work program, parental school choice program, and expansion of welfare for low-income people. What accomplishments during your term as Governor do you consider to have the greatest historical importance?

Thompson: The Wisconsin Welfare-to-Work reform program caused a national and international awakening as to how to restructure welfare. We also started a program to help low-income minority children. It provided them with the opportunity to choose whatever school they wanted, whether religious or sectarian. That program is still in existence and continues to grow and prosper. Another program provided for assistance to low-income families who needed to provide for children's medical care.

We had some remarkable achievements during my tenure, and I was pleased with the successes we accomplished.

Editor: How do you believe that these experiences will assist in your transition into the private sector?

Thompson: I am a firm believer that your future successes are influenced by what you were able to accomplish in the past. Living produc-



The Honorable Tommy Thompson

tively means a lifetime of learning. The experiences I had as governor of the state for 15 years in managing innovative programs and as head of the largest federal agency in the U.S. dollar-wise, in each case overseeing enormous budgets, give me the background knowledge and experience to make an important contribution to the private sector and should be beneficial to my employers, in this case Akin Gump.

Editor: What factors went into your decision to join Akin Gump?

Thompson: Akin Gump has a long history of expertise in many areas and enjoys a wonderful reputation. I have been greatly impressed with their accomplishments. When I was interviewed, I was most favorably

impressed by their attitude and the use they planned for my services. It is an outstanding law firm with a firm culture of pro bono and public service that fits my desire to continue to do good things in the health care field. Because of its high professional standards, it also satisfies my desire to continue to do things as a professional, from which I derive great personal satisfaction.

I like the atmosphere, I like their attitude and I like what they have done in the past and intend to do in the future. Service with the firm fulfills my desire to continue serving the public. My role there also provides me with the opportunity to do other things.

Editor: Please describe Akin Gump's Health Industry Practice Group and the type of services you will be providing in that group.

Thompson: I am of a firm belief that the U.S. is at a crucial point in terms of its health care policies, which need to have a complete transfusion as well as transformation. It is too expensive, too inefficient, and too many people are uninsured. It is my hope to use my position at Akin Gump to continue to push for the transformation of health care and the practice of medicine across this country. I do this in my speeches, in my advice to our clients, in my writings in trying to make people understand that we have the best health care system in the world but it is very stretched and stressed. Unless we do something about it, and rather quickly, there is a chance that it will deteriorate to the point where there will be a push for a government-controlled system. This would be extremely unfortunate.

Editor: Given your experience in the Department of Health and Human Services, what health care issues do you believe need immediate attention?

Thompson: There are six health care issues that need immediate attention. First, we have to change our health care system from a curative system to one of prevention by starting at the medical schools as well as involving individuals in being concerned about their own well-being. Lifestyle changes are essential. Last year the deaths of seven out of ten people in America could have been prevented had the victims stopped smoking, eaten properly and exercised. Smoking is still the biggest driver in health care costs today, amounting to over \$155 billion and 442,000 lives per year; the second health care problem is diabetes. Eighteen million Americans are type 2 diabetics, and 41 million are pre-diabetic. The cost of \$135 billion (or one out of every \$12 of health care expenditures) for this disease is a terrible burden on the delivery system; the third issue, and the fastest-growing one, is obesity. I have been on a four-year quest to educate people to eat properly, to exercise and to adopt lifestyles that make for longevity. Not only should we try to improve the system of prevention, but we should also monitor diseases.

The second area that calls for attention is getting the health care sector to use more and better technology. This is one sector in our economy that is behind the times in the use of technology. Even though the health care industry expends about 15.4 percent of the Gross National Product, there is a great lack in technology usage, resulting in errors that cost lives.

The third area is the uninsured. There are between 42 and 45 million uninsured persons. This must be addressed since it constitutes a huge drag on the economy. Providers are paying this cost as are all employers who pay higher health insurance premiums for their employees.

Medicaid is the biggest driver of state budgets. Acute care should be the responsibility of states while long-term and institutional care should be the responsibility of the federal government.

The fifth area is Medicare. We need to do a better job of transforming the system, even though we made major progress with the Medicare Modernization Act passed in 2004. We still have not transformed the system to a preventative one.

The last area has to do with Section 501 liability insurance. We have to overhaul the tort system. Malpractice insurance is too high, and good doctors are being driven out of the system.

Those are the six areas that will improve efficiencies as well as reduce expenditures in health care.

Editor: How do you believe that the increasing costs in health care should be addressed? Would you elaborate a bit on the following suggestions that have been mentioned:

1) direct negotiation between government agencies and the pharmaceutical industry.

2) technological advancements pharmaceutical industry, i.e. e-prescribing.

3) purchasing FDA-approved drugs from Canada

Thompson: Congress has decided that negotiations should be done by people that are in the marketplace, the Prescription Benefit Managers, rather than government officials. Hopefully, this will hold down drug prices.

I am passionate about transforming medicine so that all doctors e-prescribe. The Institute of Medicine stated that 98,000 people died from mistakes made in clinics, hospitals, and by physicians and other providers. They went on to say that 50 percent of deaths could have been prevented by correct prescribing. The wrong medicine to the wrong patient in the wrong amount and at the wrong time can be attributed to faulty handwriting. E-prescribing would improve the system immediately.

Canadian imported-drugs is becoming less an issue and will become even less so in the future owing to the Medicare Modernization Act. Seniors who have been going to Canada will be receiving those drugs after January 1, 2006 at a 50 percent discount owing to U.S. government subsidy. In watching these drugs find their way to the U.S., we noted that more than 80 percent were mislabeled, poorly packaged or were counterfeit. We believe the current system for procuring drugs in the States is the best way and will be the least costly.

Editor: Your philosophy of including "medical diplomacy" in U.S. foreign policy ties into our Project: Global Citizenship, in that both view humanitarian aid and economic development as a means to hasten the development of global markets and win the War on Terror. Please describe to our readers what "medical diplomacy" is and why it should be an essential component of our foreign policy.

Thompson: As secretary I traveled the world visiting 38 countries in the last four years. In every country the common denominator and goal of all people is quality health care. If you are ever going to win this war on terror, humanitarian causes and medical help will do much more than anything else. In the Department we were able to provide for improved hospitals – including Rabia Balkhi Hospital in Kabul – where we treated women and children. In Afghanistan we set up a Global Fund to fight AIDS, tuberculosis and malaria. As chairman of the Global Fund for the past two years, I've watched it grow from zero to \$5.8 billion, having given out \$3 billion in aid. We're in 128 countries and have over 200 programs. People all over the world respond to good health care. America has the opportunity under a revised Marshall Plan, called "Medical Diplomacy," that can do more good than anything else in our foreign policy by exchanging doctors, providing expertise at military hospitals, giving people the opportunity to become vaccinated and improving the quality of life by improving their health.

Editor: How does Akin Gump's commitment to pro bono services and community service connect with this vision on a domestic level?

Thompson: Akin Gump is a law firm that not only provides excellent pro bono legal services but also gives members of the Akin Gump family a chance to do things for the community – whether it be providing better legal services, advising about health care or making other improvements. You start with the family, then go to the community, then beyond. Akin Gump is involved in all these venues. That is a necessary formula for success – whether it be a law firm, a hospital, or a charitable organization.