

Michael Leavitt - CEO of Leavitt Partners

Mark Masselli: This is Conversations on Healthcare, I am Mark Massellie.

Margaret Flinter: And I am Margaret Flinter.

Mark Masselli: Well Margaret, it's really only a few weeks before we see a transfer of power in Washington, the final days of the Obama administration are winding down as the Trump transition team makes ready to move into place. And already, there is much speculation on what will happen to the Affordable Care Act.

Margaret Flinter: While Trump the candidate was very vocal about repealing and replacing the healthcare law President-elect Trump has actually been kind of quite on how he plans to do that once in office.

Mark Masselli: Well the Trump transition team has been rather mum on some of those details Margaret, the Republican leadership has been quite clear. House Speaker Paul Ryan and Senate Majority Leader Mitch McConnell have indicated they are aiming for a swift repeal of the law even if there is not a fully formulated replacement plan in place.

Margaret Flinter: But there are a number of health industry analysts who are saying not so fast. The thinking is there will be more of a dismantling of certain provisions of the law by undercutting funding for individual parts of it for instance, economist from both sides of the aisle are warning that a complete and swift repeal would bring about chaos in the health industry and many millions of Americans would lose coverage and be part of the unfortunate chaos.

Mark Masselli: Our guest today is advising the Trump transition team and how best to navigate the healthcare debate, the honorable Michael Leavitt is a highly regarded health policy strategist in the country and he brings considerable professional gravitas to the table. He is a former three term Governor of the State of Utah, Secretary of the Department of the Health and Human Services Mr. Leavitt has sound policy advise for the incoming Trump administration and how important it will be to build a coalition around any changes to health policy. I am really looking forward to that interview Margaret.

Margaret Flinter: And Lori Robertson Managing Editor of FactCheck.org will be stopping by, she is always on the hunt for misstatements spoken about health policy in the public domain. But no matter what the topic, you can hear all of our shows by going to [www.chcradio.com](http://www.chcradio.com)

Mark Masselli: And as always if you have comments, please email us at [www.chcradio@chc1.com](mailto:www.chcradio@chc1.com) or find us on Facebook or Twitter we love hearing from you.

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Margaret Flinter: We will get to our interview with the honorable Michael Leavitt in just a moment.

Mark Masselli: But first here's our producer Marianne O'Hare with this week's headline news.

Marianne O'Hare: I am Marianne O'Hare with the healthcare headlines. Dramatically rising drug prices have been deemed one of the leading causes of the rise in healthcare cost. Now some states are attempting to crack down. A number of states have joined a civil lawsuit against several pharmaceutical companies for allegedly price fixing and conspiring to divide the market share. 20 states filed the lawsuit against Mylan, Teva Pharmaceuticals and four other generic drug makers alleging that they conspired over things like stake dinners and girls nights out on the pricing of two common generic drugs that according to one copy of the complaint. The drugs involved in the lawsuit include the delayed release version of a common antibiotic doxycycline hyclate. Doxycycline hyclate for example, rose from \$20 for 500 tablets to \$1849 between October 2013 and May 2014. Connecticut Attorney General George Jepsen, who lead the civil suit says their investigation has revealed this is likely just the tip of the iceberg.

More cause for worry among those infected with the Zika virus especially pregnant women. A new study shows far more extensive brain damage in babies born to Zika infected mothers than previously thought. Even in the absence of a obviously abnormality such as micro syphilis. A study of a 125 Zika infected women in Rio de Janeiro, done by Brazilian and American scientists and released by the New England Journal of Medicine noted almost half pregnancies had adverse outcomes ranging from fetal death to serious brain damage. Out of the 117 infants born alive 42% had grossly abnormal brain scans or physical symptoms.

As the Obama administration readies to handover reigns to the incoming Trump administration many healthcare consumers are concerned for what may happen to their coverage if GOP leadership make good on their promise to repeal and replace the Affordable Care Act. One of the aspects of the law provided protection for Americans under 65 with preexisting conditions so they couldn't be denied coverage. 55 million Americans have some diagnosable pre-existing condition that puts them at risk, that fact has lead to a spark in social media activism the Twitter handle #the27% has provided a platform for Americans with pre-existing conditions to weigh in on their fears of losing coverage. President-elect Trump has acknowledged protections for Americans with pre-existing conditions has been a popular aspect of the law. Health Equity advocate Dr. Atul Gawande launched the Twitter page to allow patients to lend their voices and their concerns. I am Marianne O'Hare with these healthcare headlines.

Mark Masselli: We are speaking today with the honorable Michael Leavitt, advisor to President-elect Donald Trump's healthcare transition team and founder and chairman of Leavitt Partners, a consulting company focused in on healthcare policy. Governor Leavitt also served as both administrator of the Environmental Protection Agency and Secretary of the Department of Health and Human Services under President George W. Bush. A former three term Governor of the State of Utah, Governor Leavitt has served as chairman of both

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the National Governors Association and the Republican Governors Association. Governor Leavitt was the lead advisor on Mitt Romney's presidential transition team. He earned his business degree from Southern Utah University, Governor Leavitt welcome back to Conversations on Healthcare.

Michael Leavitt: Well thank you for including me.

Mark Masselli: Governor Leavitt, you bring quite a reputation as one of the most highly regarded republican strategist in the healthcare arena and you also bring a vast amount of expertise from both state governance as well as running several federal agencies within the Bush administration. And now here we are watching the President-elect Trump's transition team lay the ground work for the incoming administration. Team you are now lending your advise to and what are some of the more important decisions that the Trump team needs to make in establishing a successful new vision for health policy in America.

Michael Leavitt: This is the most important transition of power that occurs literary in the world because of the role United States plays. There are three basic jobs the first is to put a team on the field, the President-elect has nominated in the health area Congressman Tom Price. The second is then to begin to ready an agenda for the first 100 or 200 days it's important to answer the mandate and it's clear that the people of this country gave the new administration and the new Congress. The third, is to begin coordinating closely with Congress if that agenda can be successful and then there is a lot of other details that have to be taken care of in terms of how you manage the attention of the world, President-elect will be meeting by phone dozens of foreign leaders and each of them have an agenda and we have seen that play out in the news.

Margaret Flinter: Well Governor Leavitt, when you were last on with us a few years ago, you spoke then of the need to recalibrate some aspect of the Affordable Care Act that you thought would make it work more effectively. So now we have been through a number of years of open enrollments, more than 20 million Americans have gained coverage. The industry and the delivery system really has seemed to recalibrate itself to multiple regulations and directives in the ACA how do you feel the incoming administration should proceed on this track and how do you think repeal works without causing great disruption to the healthcare industry?

Michael Leavitt: The one certainty in the next several months about healthcare is that there will be a Bill that will pass Congress that would be titled repeal and replace. What is uncertain is what they will define repeal to mean and what they will define replace to mean. Pretending that the law never happened is not an option, but the Republicans have for 3 elections in a row campaigned that they would repeal and replace the law and I think they have no alternative but to fulfill that, given the mandate for change that occurred in the last election.

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So I believe there will be a Bill that will pass and there will be parts of the Affordable Care Act that in fact can be changed. And I think one area that will look quickly to see will be obviously the individual mandate I think that's likely to disappear. Now the problem that all of this brings is they do have to replace this because there are 20 million people who now have coverage and many other Americans whose healthcare will be affected by this. So at least there appears right now is that they will repeal the portions that they believe can be replaced and they will give themselves some time in which to actually formulate the replacement.

One of the commitments that Republicans have made is that they don't intent to do this in a way that does not involve a bipartisan support. And I think that's important, one of the primary mistakes that was made in the past Affordable Care Act is that it was done entirely on a partisan basis and they seem committed not to make that mistake again.

Mark Masselli: I wonder if we could take a moment to look at the person President-elect has choose to run the Department of Health and Human Services, representative Tom Price is a orthopedic surgeon from Georgia, a Conservative Republican Congressman he has been leading proponent of repealing the health law. And I am wondering you know you are one of 22 secretaries of HHS so you have a catbird seat of what it takes to run that office. What general advise do you have for incoming secretary Price.

Michael Leavitt: The Department of Health and Human Services is a large department, it includes 27 different units. The Centers for Disease Control, Medicare, Medicaid, all of the welfare programs, a big part portion of the Homeland Security portfolio, the Food and Drug Administration. There are 80,000 employees and a trillion dollar budget. So this is not just about the Affordable Care Act, there is a very substantial portfolio of other responsibilities. And one of the things I would offer him in terms of advise is there will be many other components of the job other than just repealing and replacing the Affordable Care Act.

Tom Price is a physician he understands policy and he understands the granularity of the law from a very intimate standpoint that of a practicing physician. There are lots of perspectives and part of the duty and the responsibility of the secretary is not just to drive your own views but to understand the broad consensus of people when possible, sometimes you have to go slower in order to go fast and because there is so much potential disagreement. And we have seen that actually play out in the Affordable Care Act here we are 6 years later essentially starting over again. And it's because they insisted on going fast, if they had gone a little slower and obtained bipartisan support it's unlikely in my judgment that we would still be debating this.

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Margaret Flinter: Well Governor Leavitt we are very focused right now on the coverage issue but I am always mindful of just how much delivery system transformation was called for as well under the Affordable Care Act and some of those forces has been in play, I know you had been engaged in a great view of the transformations that are happening in the healthcare around the country. And they are really about meeting the increased demand for primary care, care that delivers better outcomes more safely. We saw a growing number of accountable care organizations and certainly a big expansion in federally qualified health centers and of course hospitals as well. And all these forces in many communities joined together to improve care coordination and patient outcomes. What do you think these organizations should be thinking about as they prepare for changes under the Trump administration?

Michael Leavitt: The most important change that has occurred in healthcare potentially over the last 60 years is that transition from fee for service payment to some type of payment where providers are paid on the basis of value. The question is will this transition from fee for services to value payment continue under the new administration. And I think the answer to that is yes, it will because the change is not being driven simply by political ideology. It's being driven by an economic imperative that if we want to continue to have great healthcare we have to change the way it's paid for because there is no way we can continue to spend an increasing share of the American economy on one thing, healthcare. So the only thing to do and the smart thing to do is to change the way we pay for it. And I believe that the Trump administration will not only agree with that but they may in fact hasten it.

Mark Masselli: We are speaking today with the honorable Michael Leavitt founder and chairman of Leavitt Partners a consulting company focused in on healthcare policy one of the health industry advisors to the Trump transition team. Former three term Governor of the State of Utah, Governor Leavitt also served as both administrator of the Environmental Protection Agency and Secretary of the Department of Health and Human Services under President George W. Bush. We have had this incredible divide in our country and you wrote a book Finding Allies, Building Alliances, how in this highly charged partisan world we are going to make sure that we have a bipartisan solution moving forward.

Michael Leavitt: We have to acknowledge that government has moved overtime into a much more partisan process, that's driven by the fundamental belief that the other party won't do the right thing. And another thing we can count on is that people who gained power typically over reach and that's one of the things that leads to another shift in power. So I think the key here is to recognize the big danger is over reach that is to say we have got this appetite now because we haven't had power to do everything exactly the way we want it done. I believe the Republican party has a very impressive and historic opportunity to put in place a governing structure that will last for a long time, if they have the discipline

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not to overreach. You have to have enough risk then everyone is willing to sit down and to talk and to give up some things that they would like to have but they just can't and have it sustainable.

One of the risks that is being weighed right now is how do you get that, do you do it by not passing anything or do you do it by passing a repeal and then working on a bipartisan basis to overcome a common thing. I think it is a good case it could be made that that might happen, I don't think there will be any bipartisanship on the repeal. But I think there maybe a substantial amount of bipartisanship on the replace.

Margaret Flinter: I wonder if I might ask about one area obviously that's of great interest to us and that is the community health centers in the United States that serves about 24 million people. And over this last years the drive to transformation in the health centers has really accelerated certainly the advancement of interdisciplinary care, team based care, outcome focused care, training of our clinical workforce with the advent of the teaching health centers and training primary care physicians and the programs to train primary care nurse practitioners. So as we move into this new administration do you think that that's one of those areas where there maybe bipartisan agreement, any observations on that for our listeners?

Michael Leavitt: I served as Secretary of Health during a Republican administration and President Bush made very clear that one of the top priorities he had in health was to expand and improve the community health center system. And each year we received additional resources and I was under very direct orders to not only expand the number but to improve the funding. And we have actually either dramatically increased funding to nearly 4000 of them but we added 14000. I think what we are saying here is that there is bipartisan support for community health centers. And they play a very important part of not just the safety net but in the new system of primary care, they become a part of the foundation of primary care. So I think there is reasonably quite optimistic about the future of community health centers in this new payment system. Now it's going to require that community health centers themselves learn to adapt and to be a part of a larger network not just a safety net that means new skills, it means new ways of doing things and reaching out and becoming a part of the broader community.

Mark Masselli: Well you also served three terms as the Governor of the State of Utah and you know we always think about states as incubators for changes. And you have seen what happens when a state population gains access, now we have representative Ryan contemplating perhaps a new way to sort of envision how Medicare works. What do you see the positives and negatives surrounding both the proposals around expansion of Medicaid the privatization of Medicare, how should governors and state legislators be thinking about their work in health planning and policy with all this transition going on?

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Michael Leavitt: Well we find the country in peculiar situation now because we have 33 states that have expanded Medicaid and you have 18 that have not. Which means that you have federal funding going to 33 and 18 that aren't and that's not a circumstance that's really consistent with the long term objective of Medicaid. I think what we will see is, see some changes, mostly giving states more flexibility and we may actually see less funding in certain of the optional populations provided it means that in certain populations there maybe some flexibility on what the benefits are. I don't know we will have to wait and see how that unfolds, but I don't think there is any lack of commitment to taking good care and helping those who are in hardship.

Margaret Flinter: Well Governor Leavitt one thing I think we can be pretty sure of regardless of what happens with the healthcare law is that 21<sup>st</sup> century healthcare is undergoing dramatic transformation with new technologies and biomedical advances. We recently had Dr. Victor J. Dzau, President of the National Academy of Medicine and he was talking about the advisory panel that you and other experts participated in creating some scientific and biomedical recommendations for the incoming President. So what are the trends that you think are going to dominate healthcare transformation?

Michael Leavitt: Well I think we will clearly see a change in the way people get paid, away from fee for service towards more of value payment. I think we will see more emphasis on primary care. I think we will also begin to see a pronounced reshaping of the way healthcare providers organize themselves rather than everyone being general contractor if you will I think we will begin to see networks of care. And we will begin to see the insurance system move toward that where we have more narrowed networks where people can exchange for price concessions, people will agree that they will draw their care from a prescribed network that will have to be done voluntarily but I think it will happen. I think we will begin to see more of the risk for healthcare shifted toward consumers at the same time I think we will see consumers have a more deliberate choices. I think those are perhaps some of the more significant tellers of change.

Mark Masselli: We have been speaking today with the honorable Michael Leavitt founder and chairman of Leavitt Partners a consulting company focused in on healthcare policy and one of the health industry advisors to the Trump transition team. You could learn more about his work by going to [www.leavittpartners.com](http://www.leavittpartners.com) or follow them on Twitter at LeavittPartners that's L-E-A-V-I-T-T. Governor Leavitt thank you so much for joining us on Conversations on Healthcare today.

Michael Leavitt: Well thank you for including me. At Conversations on Healthcare we want our audience to be truly in the know when it comes to the facts about healthcare reform and policy Lori Robertson is an award winning journalist and Managing Editor of FactCheck.org a non-partisan, non-profit

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consumer advocate for voters that aim to reduce the level of deception in U.S. politics. Lori what have you got for us this week?

Lori Robertson: Recently House Speaker Paul Ryan mentioned the independent payment advisory board created by the Affordable Care Act saying it was “about to kick in with price controls on Medicare.” We haven’t heard much about this board since the first year or two after the law was passed. So what has happened within the independent payment advisory board, well this 15 member independent board which would be appointed by the President and confirmed by the senate is tasked with making recommendations on Medicare can cut cost. It would make binding recommendations if Medicare spending exceeded certain levels, but no one has yet been appointed to this board and it’s actions haven’t been triggered due to slow growth in per enrollee healthcare spending. The IPAB hasn’t been formed because it hasn’t been needed yet. As the non-partisan Kaiser Family Foundations explains in a July 2016 report the IPAB process is said to be triggered for the first time next year, based on the Medicare actuaries most recent spending projection. Without a board in place the Secretary of Health and Human Services would be tasked with making the recommendations for spending growth reductions to start in 2019. The board is limited in what it can do, it can’t raise taxes, premiums or cost sharing, restrict benefits or otherwise ration care. And recommended reductions would come from “Medicare advantage” the part D prescription drug program, skilled nursing facility, home health dialysis, ambulance and ambulatory surgical center services and durable medical equipment.

With the new administration coming into office in January however, it’s unclear what would happen to these provisions of the Affordable Care Act. And that’s my Fact Check for this week I am Lori Robertson managing editor of FactCheck.org.

Margaret Flinter: FactCheck.org is committed to factual accuracy from the country’s major political players and is a project of the Annenberg Public Policy Center at the University of Pennsylvania. If you have a fact that you would like checked email us at [www.chcradio.com](http://www.chcradio.com) we will have FactCheck.org’s Lori Robertson check it out for you here on Conversations on Healthcare.

Margaret Flinter: Each week Conversations highlights a bright idea about how to make wellness a part of our communities and everyday lives. Sub Saharan Africa leads the world in maternal and infant deaths, according to an annual report from Save the Children, an estimated 3970 babies died at birth in that region in 2013. And some 550 mothers die per day as well. Most of the causes have to do with lack of access to medical care in these low resource regions and often the local midwives lack formal medical training to prepare them to conduct interventions in the event of a life threatening event like a hemorrhage or an infection.



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Anna Frellsen: We know that 90% of all the deaths that we see today could be prevented if the mother had had you know access to this you know really basic skilled care during the child birth.

Margaret Flinter: Anna Frellsen is the CEO of the Maternity Foundation their organization has created intervention for midwives living in low resource areas if they just have access to a smartphone. It's called the Safe Delivery App and it provides comprehensive training for midwives that teach them and guide them on what to do in the event of a birthing crisis.

Anna Frellsen: And empower them to be able to better handle the emergencies that may occur during a child birth such as you know the woman starts bleeding or the new born is not breathing and so forth. So the first and foremost it's a matter of finding a way that we can reach the health workers and build their skills.

Margaret Flinter: Frellsen says the real promise of the Safe Delivery application lies in it's ability to provide ongoing obstetric and neo-natal training. The Safe Delivery app has received the United Nations approval for wider deployment. The Maternity Foundation plans to have the Safe Delivery app in hands of 10000 healthcare workers across the region by next year. A lot cost culturally sensitive mobile app that offers immediate guidance and assistance to midwives and health workers, empowering them with ongoing support and knowledge that can improve birth outcomes, now that's a bright idea. This is Conversations with Healthcare I am Margaret Flinter.

Mark Masselli: And I am Mark Masseli, peace and health.

Conversations on Healthcare broadcast from the campus of WESU at Wesleyan University streamling live at [www.wesufm.org](http://www.wesufm.org) and brought to you by the Community Health Center.