

EVERYONE WINS IN HEALTHCARE REFORM – EXCEPT YOU

By Rob Fannon

Don't be fooled into thinking Washington and the health-care industry are at odds over medical reform.

Conventional thinking says the private sector vehemently resists any government interference in free markets. As such, drugmakers, insurance companies, and other health-care players should be fighting to keep legislators out of their business, right? From the surface, that appears to be the case.

Bushels of Money & A Revolving Door

This year, health-care lobbyists are spending as much as \$2 million a day pushing, prodding, and pampering legislators. Each lobbyist is striving to minimize the damage new reform will cause his client, while maximizing the benefit of tens of millions of uninsured joining the system. (Estimates on the exact number vary, but range between 30 million and 47 million.)

Through the third quarter of the year, the health-care lobby had already outspent its entire 2008 outlay (\$486 million). By the end of the year, the estimated \$550 million tally will easily be the costliest advocacy campaign in U.S. history. But this superficial arm-twisting between special interest groups and lawmakers is no battle. It's a mating ritual.

Records show more than 350 former legislative staff and Congress members have crossed the divide as private-sector advocates. At least half of these insiders have direct work experience (including two former chiefs of staff) with Senators Max Baucus (D-Montana) and Chuck Grassley (R-Iowa), respectively the chairman and ranking member of the Senate Finance Committee, the most important group in shaping the health-care reform bill.

And it's not only a one-way ticket from Congress to the private sector. Washington's revolving door routinely sucks players from industry into government roles, as well.

The Women Behind the "Reform"

Luke Mitchell of *Harper's* magazine recently identified the driving force behind the Senate Finance Committee's reform agenda. It isn't Senator Baucus. Rather, it's Liz Fowler, Baucus' top aide and director of the Committee's health-care staff.

Fowler booked four years of political experience working for Baucus from 2001 to 2005. She left Washington

for a high-paying job in the health-care industry, as vice president of public policy and external affairs at WellPoint – one of the largest U.S. insurance companies. Then, "sensing that a Democratic-controlled Congress would make progress on overhauling the health care system," Fowler returned to Baucus' side in 2008 (as the Beltway gossip paper *Politico* wrote at the time).

Or consider Nancy-Ann DeParle, the so-called health-care "czar" spearheading reform efforts for the White House. DeParle has a similar career path to Fowler's. Her former government jobs include director of what's now known as the Centers for Medicare and Medicaid Services, as well as a stint at the Office of Management and Budget under President Clinton.

But between Democratic presidents, DeParle jumped into the private sector. She served on the boards of several major health-care firms, netting more than \$6 million as director with medical-device makers DaVita, Guidant, and Boston Scientific, health-care IT company Cerner, Triad Hospital Systems, and others.

Never mind that during her directorship five of DeParle's companies paid more than \$550 million in penalties for fraud, product liability, and antitrust matters – many of which involved tax dollars directly from Medicare and Medicaid.

As you can see, this is a dirty game. The players are making the rules. And everybody – but you – wins. It will likely become the biggest government boondoggle ever conceived. HFN

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The State can protect and promote the interests of its sick, or potentially sick, citizens in one of two ways only: either by coercing physicians, and other medical and paramedical personnel, to serve patients – as State-owned slaves in the last analysis, or by creating economic, moral, and political circumstances favorable to a plentiful supply of competent physicians and effective drugs.

—Thomas Szasz, *"The Right to Health"* (1969)