

President Obama announced former Sen. Tom Daschle (right) as the new Health and Human Services Secretary

PROMISE AND REALITY

While the debate rages whether reform should be immediate or incremental in the Obama administration, the stage is set for some landmark battles. **Nancy Hicks** reports on both sides

The victory cheers had barely died down in Grant Park when seismic shifts could be felt in the world of healthcare. Barack Obama's election-win heralds a new era for the industry with the potential of far-reaching reform. With this upcoming healthcare tsunami, communications professionals will be challenged like never before. Players in every sector of the industry are already scrambling to position their policy initiatives in a favorable light with the public and the new administration.

And it is no wonder. Healthcare was the number-one domestic issue in the campaign prior to the economic meltdown. Given the interconnectedness of healthcare to the economy, many experts believe that the economy cannot be fixed without fixing healthcare. It is the biggest piece of the economic pie, representing one in every six dollars—17% of the gross domestic product. Indeed, President Obama has said the question isn't whether we can afford to fix healthcare, the question is whether we can afford not to.

Already the forces of reform are aligning. Sen. Max Baucus has introduced a bill similar to Obama's healthcare plan, which would vastly increase the number of Americans who receive health insurance. Sen. Ted Kennedy has announced that he will also be sponsoring a bill on universal coverage and has enlisted Sen. Hillary Clinton in this effort. America's Health Insurance Plans just announced their own reform plan which would achieve universal coverage by reducing the cost of healthcare by 30% over five years.

Powerful voices in the advocacy world are weighing in. Just to make sure the new administration does not lose sight of healthcare as a legislative priority, AARP and the Service Employees International Union, along with other groups, have launched a multi-million dollar ad campaign urging healthcare reform now.

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The appointment of former Senate Majority Leader Tom Daschle to head Health and Human Services is a clear signal to many that Obama will use his political capital early to push a reform package through Congress. Yet the realities of the economy may make this approach less tenable in the year ahead. Public support for reform is high; with 70% of Americans believing our healthcare system is in need of major change, according to a recent study in the *New England Journal of Medicine*.



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President Obama has tapped Sen. Hillary Clinton as secretary of state. She will be joining forces with Sen. Ted Kennedy on a bill he is sponsoring on universal health coverage. America's Health Insurance Plans also announced a reform plan that would achieve universal coverage by reducing the cost of healthcare by 30% over the next five years

While debate rages whether reform should be immediate and sweeping or incremental with small victories, the stage is set for some landmark legislative battles that will affect every sector of the industry. PR and public affairs specialists will be integral to framing the looming battles ahead. In addition to the specter of massive reform, here are some areas to watch:

Children's healthcare The only mandate in the Obama healthcare plan is to cover children. Watch for the renewal, and possible expansion, of the State Children's Health Insurance Plan, which requires all children to have coverage. While other elements of reform will be contentious, this is almost certain to garner bipartisan support.

Medicare and drug prices Obama has proposed changing the Medicare drug benefit legislation to allow federal officials to negotiate the price of drugs. While there is considerable sentiment that the government, as the largest purchaser of drugs, should be able to negotiate prices, there is fierce resistance from the pharmaceutical industry. And for good reason—drug companies stand to lose \$30 billion in revenue if this is passed. Not surprisingly, PhRMA, the association of pharmaceutical companies, has launched a major television advertising campaign aimed at supporting “free market healthcare.” Look for a new iteration of Harry and Louise, those iconic characters from the Clinton reform era.

Medical technology The Obama plan calls for \$50 billion over the next few years to accelerate the development of electronic medical records (EMR). Many people believe EMRs will improve safety and generate considerable cost savings. The new administration is tech savvy and will be a friend to innovation on the medical technology front.

Generic drugs Generic drugs represent 65% of the total prescriptions dispensed in this country, and this sector of the industry is poised to get a big legislative boost. With the dramatic cost savings of generics, the Obama administration is likely to work with Congress to enact an approval pathway for biogenerics, a long-sought goal of the generics industry. As the economy declines, there will

be considerable pressure to make these lower-cost drugs available to millions of Americans. For pharmaceutical communicators who advocate the efficacy of branded products, this will be a major issue in the year ahead.

The FDA Congress just announced an investigation into the FDA's process for approving medical devices. This is just the latest in developments that hurt the agency's credibility. It is hoped that Obama's appointment of a new agency head will strengthen management and restore morale to the FDA. As Sen. Kennedy's committee must confirm the nominee, it is expected that this individual will not have ties to the pharmaceutical industry. The tough regulatory climate that has slowed drug approvals is expected to continue. Pharma communicators may have more advisory committee hearings and stalled drug approvals in their future.

Stem cell research Obama's election was very good news for the nation's fledgling stem cell companies, which have chafed under the ban on federal funding for research imposed by President Bush. Obama is widely expected to overturn this ban. However, this good news for stem cell companies is somewhat mitigated by the financial crisis which will put a damper on investment in the industry.

Providers According to Moody's Investors Services, the nation's hospitals will prosper under Obama's plan to extend healthcare to uninsured Americans. In addition to alleviating the financial burden of hospitals caring for the uninsured, Obama's plan is expected to increase research funding and provide \$10 billion to hospitals to adopt healthcare information technology. Both for-profit and not-for-profit hospitals are expected to thrive under the new administration.

Health and wellness All of the health reform plans on the table are unanimous in their calls for preventative measures that will keep people healthy and reduce the staggering costs of chronic illness. While health plans have long championed “wellness,” look for employers, who bear the greatest burden of costs, to be more aggressive in promoting health and wellness among their employees. Brand companies with healthcare platforms will flourish in this new environment. For communications professionals, this is the fastest-growing sector of healthcare, and that growth will be accelerated in an Obama administration.

The Internet rules Just as the Obama campaign wrote a new chapter on Internet fund raising, the new administration will employ online strategies to lay the groundwork for healthcare reform. HHS Secretary Designate Tom Daschle has announced a grassroots program comprised of online videos, blogs, and e-mail alerts to solicit opinions on healthcare issues. The Obama administration will use the Internet in other areas, but chose to begin with healthcare because “every American is feeling the pressure of high health costs and lack of quality care, and we feel it's important to engage them in the process of reform,” said Stephanie Cutter, spokesperson for the Obama transition team.

The roars of Grant Park are now echoing in the halls of Congress. Change is coming and it is already rearranging the landscape of healthcare. There will be winners and losers as industry players jockey for position with the new administration. For healthcare communicators, it will be the best of times and the worst of times—but nonetheless a time when their skills can have a profound impact on the American healthcare system. ■

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