



CARIBBEAN BUSINESS
Our Readers are Leaders

Former U.S. Health secretary prescribes integration for island healthcare ills

Leavitt advises healthcare leaders to seek Puerto Rican solutions to their challenges

By John Marino pages 16-22

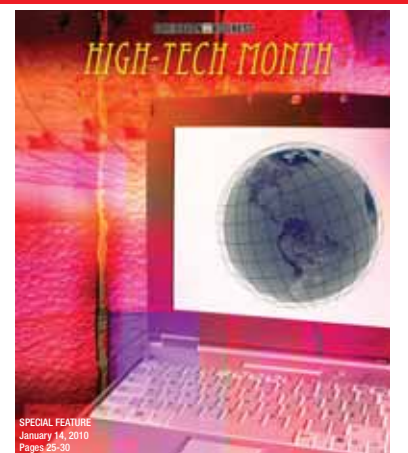
TOP STORY **INSIDE** **SPECIAL FEATURE**

Planning Board reports Puerto Rico economy contracted by 3.7% in FY '09
page 2

Puerto Rican native Jessica Banchs named JetBlue Latin America and Caribbean sales manager page 4

New pharmacy benefits-management firm to cut customer costs between 10% and 33% page 4

Victor Galán Jr. to open first VIG Mortgage Bank operation in San Patricio page 6



Why pay \$2 ?
Subscribe and you'll save up to 57% off the cover price PLUS 12 months of FREE ACCESS to every feature of caribbeanbusinesspr.com
Subscribe at www.casiano.com today!

For up-to-the-minute local, national, international and economic news in English, go to **CARIBBEANBUSINESSPR.COM.**

Collaboration is the prescription for P.R. healthcare ills

Former U.S. Health secretary says government, industry leaders can enact 'true reform'



Former U.S. Secretary of Health & Human Resources Michael Leavitt, center, was the main speaker at the roundtable forum "The Effects of Federal Healthcare Reform." He is flanked by Ponce School of Medicine President Dr. Joxel García, left, and CARIBBEAN BUSINESS Publisher & Editor in Chief Manuel A. Casiano, right.

BY JOHN MARINO
marino@caribbeanbusinesspr.com

Former U.S. Secretary of Health & Human Services Michael Leavitt advised local healthcare industry leaders last week that they should devise uniquely Puerto Rican solutions to the challenges they face.

Speaking to the top executives in the hospital, health insurance, and medical service provider fields, Leavitt told the industry leaders that true healthcare reform would not come until they got together to "collaboratively design how to deliver services in such a way that will sustain our hospitals, that will allow our medical schools to operate, that

will give basic care to our citizens." With Congress negotiating a final version of the national healthcare reform this month, and economic and demographic pressures continuing to build around the industry, the time is ripe for health reform, Leavitt said. In Puerto Rico, challenges include the commonwealth government's \$500 million annual deficit in its Health

Reform program, the caps slapped on federal reimbursement and funding formulas, some 500,000 uninsured workers and a need to improve quality medical service and preventive care. On the national level, unbridled healthcare spending is a main driver behind the federal government's

Continued on next page

Continued from previous page

fiscal problems and is becoming an enormous weight on America's competitiveness. Resolving the issue is this generation's largest challenge, Leavitt said.

"A community conversation about the direction of healthcare is a remarkably pertinent conversation not only because healthcare reform is on the docket in Congress but also because it is on the minds, economically, of virtually everyone in the United States and around the world," said Leavitt, who headed the U.S. Department of Health & Human Services (HHS) from 2005 to 2009. "The importance of communities working collaboratively together to solve problems will be highlighted as an important trend of the future."

Leavitt, who has also served as Environmental Protection Agency director and was a three-term governor of Utah, spoke at the roundtable discussion "The Effects of the Federal Healthcare Reform," which was sponsored by the Ponce School of Medicine and CARIBBEAN BUSINESS. Currently the head of the consulting firm Leavitt Partners, and a frequent commentator on national health reform for U.S. media, the high-profile Republican said health reform was well-intentioned, but falls short of true reform. The roundtable forum drew top healthcare officials, including island Health Secretary Lorenzo González, Ponce School of Medicine President & Dean Dr. Joxel García, Physicians & Surgeons Association President Dr. Eduardo Ibarra, University of Puerto Rico Medical Sciences Chancellor Dr. Rafael Rodríguez, Puerto Rico Hospital Association President Jaime Plá, and top officials from island insurance companies and pharmaceutical firms.

"Changing the system is of vital importance, so we are going to change the system. It's like Winston Churchill once said 'I love Americans because they will always do the right thing....after having tried everything else.' Well I think we are trying to do the right thing," Leavitt said.

The former Health chief lauded the proposed reform's creation of a national health insurance exchange and its fostering of electronic medical-record systems and



Michael Leavitt held two prominent positions in the Bush administration and was a three-term governor of Utah.

other technologies but is concerned it does not do enough to hold down healthcare costs and that the proposed savings that are to come from future cuts to programs will not happen. Leavitt said the House version of the bill, which grants the island access to a national health insurance exchange and grants more than \$1 billion a year increase in Medicaid funding, will not succeed and thinks the final legislation will more closely resemble the moderate Senate bill, which bars the island from the exchange and provides a far more modest Medicaid increase.

Regardless of how the island fares in the reform, Leavitt also warned the healthcare executives about emulating the U.S. healthcare system.

"Frankly, the U.S. system as it is currently carried out should not be your model because it is a very inefficient model. There are models all over the world that are a whole lot more efficient. In my view, you ought to come up with something that is uniquely Puerto Rican, that deals with what you have and allows you to deliver the best with what you have. And basing yourself on the U.S. model is not the way to do that," he said.

Leavitt returned again and again to

the theme that creating an economically sustainable healthcare system will require increased integration to forge the necessary solutions. The healthcare marketplace, like many other economic and political groupings, is "intuitively creating networks" to become more competitive and efficient, Leavitt said.

"I see a medical sector that is divided into different geographies with different players and lots of different proprietorships, and that leads me to conclude that the future is in the development of collaborative networks," he said.

"The people who sit in this room are the people who have got to begin to form that value chain if reform is really going to happen," he added.

AN UNSUSTAINABLE SYSTEM

The importance of healthcare reform is not only that costs are exploding while care needs to be expanded and improved, but also that it has become such a financial burden. It is at the heart of the federal government's fiscal problems and is "crowding out" the ability of the government to make important investments in infrastructure, research & development and other activities that promote economic development.

Leavitt, looking out over the exploding federal debt and annual federal deficits as well as skyrocketing medical costs, says flatly that the system of health entitlements is unsustainable in its current form.

Currently, the Medicare Trust Fund is set to be insolvent in 2016, only six years away, and Leavitt expects the estimate to be closer when it is updated this spring. When the program began, there were 6.5 workers producing for every beneficiary; we are now down to four workers and in 20 years will be down to 2.3 workers producing payments to cover each Medicare beneficiary.

"That collision is approaching. There are demographic collisions that are coming close, and also budgetary pressures. We are going to have fewer people paying dramatically more."

Meanwhile, government spending on healthcare will grow by 8% over the next decade, while the rest of government spending will grow at 1% or 2%, which means that healthcare will continue to crowd out other spending priorities. Non-entitlement

spending has fallen to 39% today from 65% in 1967. It is projected to hit 34% by 2014.

Leavitt said he would restructure Medicare so that consumers have more control over their coverage. That's what he did when he enacted Medicare Part D, the prescription drug benefit, during his administration.

"Rather than have a one-size-fits-all government program, we allowed numerous private insurers to offer alternatives and for consumers to choose from among them. Those plans have competed to be better and less expensive and the program is substantially less expensive than was first projected. We know that when consumers have choices, it drives costs down. I would have the rest of Medicare be more like the prescription drug program where consumers will have more choices which will improve the market."

While the health-reform package is supposed to address the growth in spending, Leavitt said the proposed \$500 billion in reductions to Medicare are pledged to take effect in future years.

"Congress has a poor record at actually effecting future-savings changes. Whenever they are proposed, they are always proposed for years five through 10. When they get there, the changes simply don't occur. There is an outcry and Congress will yield," Leavitt said, pointing to an annual "fix" Congress passes to adjust physician reimbursement rates rather than allow a previously legislated cut to stand.

"So, bottom line, the system of Medicare is moving toward insolvency, and I worry that we are not addressing those needs," he said.

As HHS secretary, Leavitt was concerned that the system was unsustainable. He went to Congress with a budget that contained \$186 billion in potential savings for Medicare over a five-year period.

"They were not interested in any of it and in fact I was rejected for lacking compassion and common sense. I want to point out it's the same group that is proposing to cut spending by \$500 billion to pass health reform so put me in the skeptical column. Congress has a long record of promising to cut out waste in years to come so

Continued on page 18

Continued from page 17

that they can spend dollars in the present and when the years to come become the present the cuts are no where to be found," he said.

"It's the reason we now have a \$9 trillion deficit growing by the day and why I have grave concerns about the healthcare reform that would simply put it on the credit card for future generations," he added.

Leavitt believes spiraling health-care costs, and the federal government's \$54 trillion unfunded liability in its healthcare coverage programs, are beginning to erode the capacity of the U.S. worker to compete in the world, as a smaller and smaller portion of the federal budget is spent on infrastructure and production.

The U.S. spends 16% of its economy on healthcare, while Singapore spends just 4% and yet Singapore has longer longevity than the U.S. Workers in Singapore are required to save 38 cents from every \$1 they earn for individual retirement and healthcare accounts. All workers pay for medical services from these accounts at rates adjusted to their salaries.

"That is the long-term global dilemma the United States faces. I believe we are talking about this generation's challenge in keeping our country as a world leader. Every generation has one," he said. "Healthcare has the potential through our health-entitlement spending to become an unbearable weight to our competitiveness as a country. We will be competing against countries that will not have the weight of \$54 trillion in unfunded liability and will have budgets that they can spend on education, infrastructure and research & development."

Leavitt took time to compare the trajectory of Argentina and the United States throughout the last century, at the start of which the two countries vied to be the second most powerful economy in the world behind, at that time, the United Kingdom. He blames the South American nation's subsequent economic misfortunes on constitutionally guaranteed protected pensions, a refusal to address the burgeoning fiscal time bomb the pensions created until it was too late, and a misguided fiscal policy that brought hyperinflation and almost destroyed the Argentine economy.

Today, it's the United States that is now No. 1 and running up deficits,



*Health Insurance Administration
Executive Director Domingo Nevarez*

with China owning \$1 trillion worth of U.S. bonds. Leavitt recalled a "chilling" conversation with Chinese officials at the end of the Bush administration about their concerns over that investment and said it was not lost on him that one of the first trips Obama administration officials took upon assuming office was to China.

"We see economies change over time because of fundamental mistakes that were made and we have to begin to ask the question ourselves is it possible that we could be making some of the same mistakes. We are currently looking at a \$9 trillion deficit in the United States, we are now in the process of seeing dramatic increases in spending and dramatic increases in the deficit and at the heart of that is healthcare. You cannot deal with this problem without dealing with the medical entitlements," he said.

HOME-GROWN SOLUTIONS TO COMPLEX PROBLEMS

While acknowledging the inequities in federal healthcare funding to Puerto Rico, Leavitt told leaders they were still bound to find solutions to create a more efficient healthcare system in Puerto Rico regardless



*Dr. Raúl A. Armstrong, Ponce School
of Medicine Assistant Chancellor for
faculty and clinical affairs*

of the amount of money the island ultimately gets from the federal government.

"The inequity of it is irritating, but it is what it is. That does not excuse us from having to resolve some very challenging problems. I've run Medicare and Medicaid and state healthcare programs so I know your frustrations. Figure out what is going to work in Puerto Rico and then take a proposal to Washington. This is not about getting more money; it is about letting the system work to serve Puerto Rico the best. Don't give up on trying to get new money with the fairness argument. But it may not get you more money," Leavitt said.

Leavitt also pointed out that all states, not just Puerto Rico and the territories, have financial dilemmas related to Medicaid, which has steadily begun to eat up state budgets. When Leavitt was first elected Utah governor in the early 1990s, Medicaid-related spending accounted for 6% of his state budget.

"Today it is approaching 23% of all expenditures, which means it is crowding out educational funding, research and development that will stimulate the economy and the creation of jobs. It is crowding out the ability to invest in roads and other

public needs. It has become a desperate problem for the states, as with Puerto Rico and the other territories," he said.

Besides continuing to lobby for better treatment, island officials should also look to win exemptions from any restrictions or requirements slapped on the industry by federal health officials that may be driving up costs, Leavitt said, adding that the caps on island funding could justify the move. Puerto Rico should also take advantage of the HHS secretary's "unlimited authority" to certify demonstration projects that could dramatically reshape the island's use of federal healthcare dollars, he added.

"Use federal funding as a supplement to your plan instead of you trying to shape what you are doing to what they are doing. Your circumstances are different here," Leavitt said. "If you take them a plan that is innovative and is in their interest, you are much better off than saying give us more money so we can be like you."

Likewise, if Puerto Rico gets left out of the proposed national insurance exchange, Leavitt's advice is to create a local version. He supports the exchange concept as a good example of the government acting to organize an efficient market, so that consumer choice can be used to "drive quality up and costs down." The exchange will offer subsidies to workers and their families who cannot afford private insurance. The island has an estimated 500,000 uncovered people in this category.

"Let's assume Puerto Rico will be left out the insurance exchange. Create your own. I'm not saying that's better, you can lobby, but most states are going to create their own exchanges. I don't think that the exchange that is going to be created by the federal government will be a particularly efficient way of providing insurance. I believe some state exchanges will be and I believe Puerto Rico could create an exchange that could be. And then you could go to the HHS secretary for ways to empower your exchange since you were left out of the one on the mainland," he said.

Utah, Massachusetts and Florida are among several states that are in

Continued on next page

Continued from previous page

the process of setting up health insurance exchanges. Puerto Rico might also be able to integrate its exchange with those of other states to offer consumers more choices. Besides the federal subsidy, the exchanges are expected to drive down costs by creating more competition between insurers and allowing them to take advantage of economies of scale through national policies.

The changes wrought by national health reform, and growing industry trends will pose additional challenges to the local industry. Leavitt said the legislation is expected to slap “stringent new regulations on insurers” that will prompt them to fundamentally revisit how they are structured. He said the “intense regulatory environment” will prompt many to divide into pieces.

Meanwhile, the legislation will increase Medicaid eligibility by 15 to 20 million people that will help cause a shift from private insurance plans to public plans, while relentless budgetary pressures will likely hold down reimbursements.

Leavitt sees increased “vertical and horizontal integration” among providers as insurance companies buy healthcare providers and medical facilities, and providers and hospitals begin offering insurance. Healthcare providers should also begin analyzing how to bundle prices for procedures and populations because the market is moving to a per-procedure pricing scheme.

“That is a very important new trend that if you want to be a leading hospital in the future, you ought to be thinking about that,” he said.

Leavitt also said the island needs to seize the opportunities presented by the proposed reform to begin to better integrate Puerto Rico’s health system and look for collaborative ways to improve it. One of the big opportunities is increased federal funding to develop health information exchanges, which would move to digitize all patient data in a common electronic format. This will allow patients to better manage their health, cut down on costs for duplicate tests and other procedures and ultimately make it easier for medical facilities and doctors to manage patient data.

Also, seven states have created all-

payer databases, which require all insurers to provide their claims data, broken down by categories, which will serve as a great tool to monitor healthcare marketplace performance in terms of costs, quality of care and other important indicators. For very little money, the system could serve as a “dashboard to navigate” the island’s health system.

“The development of the health information network can become a big part of what begins to cement this together. A whole series of new technologies is emerging because of their creation. It will require the insurance companies, the employers, the providers and the hospitals working together to come up with a collaborative network to allow integration,” he said.

A GLOBAL MOVE TOWARD NETWORKS

The need to move toward collaboration and integration is not unique to the healthcare industry but is part of a global trend, which requires businesses and governments to adopt a “network” point of view.

“Integration is really about the development of networks. I believe the world is intuitively beginning to organize itself into networks. The European Union is essentially a network of countries that concluded that instead operating like a group of mainframes in silos decided they would be better off functioning as a group of networked PCs. They each maintain control of their own processing, but they created among themselves a network that allows them to become more efficient and competitive,” he said.

Several industries have also integrated operations, such as the airline industry, with carriers often sharing planes so that they can be filled with customers from several airlines. The electronics industry is another example, and the sprawling U.S. military and intelligence community is also adapting to face a “networked enemy” by integrating information systems.

“The world is beginning to move toward integration because of a whole series of phenomena and healthcare cannot be the exception,” Leavitt said. “If we want to see true reform, we are going to have to figure out how to create networks, and a value network.”



CARIBBEAN BUSINESS Publisher & Editor in Chief Manuel A. Casiano gives introductory remarks during the roundtable forum that drew top officials in the healthcare field. Also shown are Michael Leavitt, left, and José Mirabal, president of MCS Health Management Options Inc.



Former U.S. Secretary of Health & Human Resources Michael Leavitt, left, is greeted by Dr. Jaime Rivera Dueño, a former commonwealth Health secretary, as Ponce School of Medicine President Dr. Joxel García and CARIBBEAN BUSINESS Publisher & Editor in Chief Manuel A. Casiano look on.

A CALL TO ACTION

For Leavitt, collaboration is not just a cooperative attitude but a deliberate process. As EPA administrator, from 2003 to 2005, he said that

he discovered that most solutions to problems could be resolved through collaboration, so he researched what were the elements of an effective

Continued on page 20

Continued from page 19

collaboration. One of the biggest requirements is for participants to feel common pain.

“There has to be energy to draw people to work together who ordinarily would not. Sometimes, it comes from opportunities but other times from threats,” he said.

Just as importantly, collaborations require a “convener of stature.” He pointed to the U.S. Constitutional Convention, “one of the great collaborations in western history,” and said that it was the figure of George Washington who made it possible.

“It could be a person or a group who have the capacity by their actions to command respect and fear. The reality is most collaborations start with the notion that this is the northbound train and they are all coming together voluntarily. That’s the magic of a good collaboration because participants can see they are potentially better off being there than not being there. Who is the convener in this case? It could be the health secretary, the governor, the people around this table from different sectors that by their actions can bring forth collaboration,” he added.

While healthcare executives attending the roundtable reiterated the importance of trying to win more equitable funding from Washington, they also embraced Leavitt’s call to action.

Alfredo Volkers, of Pavía Health, said Puerto Rico has a lower level of healthcare because it receives a lower level of funding than the states.

“Congress is always treating us differently, as if we were second-class citizens. That is our main problem. Your concept is great. We can collaborate and through the creation of networks we will have the solutions. But we need the funds to get to the bottom line,” he said.

“You hit the spot when you said we really have to do our own thing,” added Jaime Plá, president of the Puerto Rico Hospitals Association, who said it would require “soul-searching” by everyone at the table to figure out solutions to the industry’s problems. “Because of the pain we are suffering, it’s a good opportunity to establish the collaboration you are talking about.”

Other executives discussed the important role medical schools could



Alfredo Volkers, Metro Pavía Health System



Delia Lasanta, assistant Health secretary of federal affairs; Health Secretary Lorenzo González; Ponce School of Medicine President Dr. Joxel García; and Michael Leavitt

play in leading pilot projects as well as insurance and patient information exchanges, and others pointed to efforts at integration and innovations that were already happening on the island. These included a Medicare

Advantage program, an integrated Platino program that coordinates Medicare and Medicaid benefits and organizational efforts already afoot to prepare for the implementation of a patient electronic-records system.

They all agreed that regardless of the level of federal funding that comes from Washington, the island system would need to be improved to make the best use of that funding.

“We need a local plan with all the stakeholders around this table to say if money does not come, how do we use our capital efficiently. But if money does come, what is the plan to deal with an aging population and booming utilization rates because we will burn through the money just as fast. A plan by all these people around this table is very key to the success of the healthcare industry here,” said José Mirabal, president of MCS Health Management Options Inc.

Leavitt concluded by saying that while island healthcare officials are facing unique challenges, they also have unique opportunities with which to address them.

“You are in a very unique and sometimes difficult place in respect to your relationship with Washington, but I will also tell you that there are also a lot of nice opportunities that can come from people living on an island who control a whole lot more of their own forces than in other places. You can begin to create solutions to your problems that are uniquely Puerto Rican.” ■



Shown from left are: Michael Leavitt; Delia Lasanta, assistant Health secretary of federal affairs; and Health Secretary Lorenzo González

Advocates a partnership role for government, preventative approach to problem solving

BY JOHN MARINO
marino@caribbeanbusinesspr.com

While healthcare is very much on the mind of former U.S. Health & Human Services Secretary Michael Leavitt, the three-term Utah governor and Environmental Protection Agency chief also discussed a wide range of other issues in an exclusive interview with CARIBBEAN BUSINESS.

THE U.S. ECONOMY

The former Bush administration official said he is confident that the U.S. economy was already headed for recovery and is skeptical about congressional plans for additional stimulus legislation.

“Our economy will recover. It already has begun to recover. The vast majority of the money and funding approved under the American Recovery & Reinvestment Act has not been spent and still has not been deployed. And stimulus packages become an excuse for passing everything you have every wanted,” he said.

TERRORISM

Meanwhile, the attempted Christmas Day bombing of a passenger jet by a terrorist just before landing in Detroit should be a “wake-up call” to the United States about how much more we have to do to protect the public against terrorism, he said.

“I have a sense of realism in terms of how much we can expect an entire government to find perfection in this matter. I also have a sense of how terribly important it is for us to get better,” Leavitt said. “It clearly was a wake-up call. I don’t think there is a magic wand that you can wave over all this to fix the complexities. It is a matter of incrementally getting better. Incidents like this do expose areas where we need to get better, and we need to take action and close those gaps.”

ENVIRONMENT

The former EPA chief also said that while he believes government should work to lower pollution through a cap-and-trade scheme, he said the one being worked on in Congress relies too much on penalties and taxes rather than incentives and prevention of new sources of pollution. He said over the past 15 years, cap and trade has been used as a means on incentivizing ways to reduce pollution rather than raising new taxes.

“Traditionally, a series of credits have been issued to say this is how much pollution society can live with and we are going to slowly ratchet down the amount we will accept. People have

been able to create value by accelerating their cleanups. If I can cleanup, I can create value, so therefore I am incentivized to do so. What this bill does is sells those credits and then starts ratcheting down. So it is an income-raising device, a taxing scheme. I would like us to use incentives,” he said.

ENERGY

And while Leavitt is all for the pursuit of renewable energy, he said the needs of a growing nation will continue to require us to produce energy from gas, oil and coal.

“I believe we are entering an age where nuclear will be a bigger part of our energy mix. I don’t see an alternative to it if we are to maintain environmental balance over time,” he said.

LATIN AMERICAN POLICY

Leavitt also frets that the Latin American region has been ignored by the U.S. in recent years, and that the great economic and political progress made over the past nearly four decades is in danger of being lost as a result.

“Putting more emphasis on the area diplomatically is an important step. I worry that we face some threat of seeing more than 30 years of democracy and progress begin to diminish as we have seen so much emphasis in the world be placed on Iraq and Afghanistan.”

Leavitt said healthcare had a very important role to play in diplomacy, particularly in hemispheric relations and lauded a recent initiative of the Ponce School of Medicine to reach out to Latin American nations and provide job training and other medical services.

“Over the past several years, we have seen Central America and other parts of Latin America move left and foster a relationship with those dictators and regimes that would be unfriendly to the United States. One of their primary tools is health. The United States needs to utilize its health resources to reach out and demonstrate the compassionate nature of our people,” he said.

As HHS secretary, Leavitt did much to protect commerce and trade between the Latin American region and the U.S. by working with the Food & Drug Administration to allow produce imports to continue through food safety initiatives after problems with some imports were detected. He said that food imports from the Latin American region to the U.S. had been behind a “blossoming” of trade between the north and the south that began while he was in office and continues through the present.

“As percentages increased, we began to see product problems, safety problems that are

simply intolerable, not just from Latin America but around the world, so we had to change the nature of the import safety system,” he said of his work as head of the U.S. Import Safety Working Group. “We made progress, but there is still much to do and frankly many more improvements to be made. These problems destroy not only the brands of products but of countries as well.”

This spring, Leavitt said he expected to see the passage of major legislation that will herald in the most dramatic change in food safety since the founding of the FDA more than a century ago. It will largely be reflective of the work carried out by his group at the George W. Bush White House and will also be an important way for the U.S. to enhance its trading relationships with Central and South America. In the past, the U.S. strategy has been to stand at the border and catch things as they come through, but there are just too many products to inspect, according to Leavitt. The solution will be the creation of independent certification systems that will allow producers who can demonstrate that they are meeting best practices to get preferential entrance for their products from the FDA. If they can’t demonstrate that, the products will be given heightened scrutiny by the FDA.

“It’s a way to raise everyone’s performance and provide incentives to do the right thing,” Leavitt said. “This will have a major impact on trade with Latin America.”

GOVERNMENT MUST CHANGE

Leavitt’s credentials as a conservative Republican are apparent in his attitude toward government that runs through his stances on the following diverse issues.

“Is it government’s role to use a command and control mentality where government makes all the decisions? That’s slow and bureaucratic and inefficient. It is better to use government to organize efficient markets where people have an incentive to do the right thing and are rewarded for doing the right thing and are punished quickly and severely when they do the wrong thing.”

And his background in the healthcare and insurance industries is also on display in his belief that the U.S. should take a preventative approach to solving problems.

“We need to help people avoid problems rather than to be there to punish them when they occur. Rather than clean up after the accident, let’s prevent it. Let’s make healthcare about keeping people healthy, not about paying for them after they are sick. Let’s make taking care of the environment about preventing pollution,” Leavitt said. ■

Leavitt's experience bridges private, public sectors

BY JOHN MARINO
marino@caribbeanbusinesspr.com

Michael Leavitt, 58, began his career specializing in risk management and serving as chief executive of The Leavitt Group, a family-led insurance business that has grown into the nation's second largest privately held insurance brokerage.

He first entered public life winning a tough campaign for Utah governor in 1992. Leavitt was re-elected with the most votes in state history and went on to win election to a third term. As governor, he chaired the Republican Governors Association, Western Governors Association and National Governors Association.

He left to join the Cabinet of former President George W. Bush, serving initially as Environmental Protection Agency administrator from 2003 to 2005 and then as secretary of the U.S. Department of Health & Human Services from 2005-2009. In this latter role, he led the nation's efforts to prepare for a pandemic, oversaw the implementation of Medicare Part D, chaired an interagency effort to prepare the nation's import safety plan and led U.S. delegations to more than 50 countries.

A frequent commentator on health reform and other national issues, Leavitt is often seen as a potential national candidate for the Republican Party. Last fall, he formed



Leavitt Partners, which has attracted prominent colleagues from his time in public service. The firm will advise companies and government entities in the areas of health, environment and trade, helping clients to enhance the value of their products, enter new markets, navigate complex regulatory and reimbursement systems and improve communications.

"After nearly 17 years of public service, I've learned how to approach complex problems, convene the right people to form a solution

and deploy a strategy to ensure continual success," Leavitt said in announcing the new enterprise last September. "During my service I met enormously talented people, several of whom have joined me at Leavitt Partners to apply this experience and add value to private and public enterprises."

The Leavitt Partners' team offers some 200 years of private and public experience in healthcare, environmental stewardship and international commerce. At various times during their careers, team

members have helped develop and implement the nation's pandemic preparedness plan; import safety strategy and action plan; Medicare Part D Prescription Drug Program; Medicaid waivers; the State Children's Health Insurance Program; ground-level ozone standards; the Great Lakes Regional Collaboration to protect water quality; the American Health Information Community to advance health information technology; agreements in food, feed, drugs and devices; and other landmark accomplishments. In addition to this public-sector experience, members of the Leavitt team have served in leadership roles at health plans and third-party administrators, pharmaceutical manufacturers, hospitals and business associations.

Areas of specialty for the firm include healthcare, emergency preparedness and response, environmental health, food and medical-product safety, global health, health information technology, personalized medicine, Medicare & Medicaid, and import safety.

"We have created a company with a breadth and depth of talent, specialized expertise and global contacts," Leavitt added. "The team at Leavitt Partners shares a passion for and commitment to our clients' success, a strong economy and the betterment of the human condition in the United States and around the world." ■

¿Querías conocer unas mejores
Páginas Amarillas en el Área Metro?

MUCHO GUSTO

Empresario del Área Metro, ¡llegó el momento para llevar tu negocio al éxito con InfoPáginas! El nuevo directorio telefónico que te da mucho más.

- ✓ Todos los anuncios full color
- ✓ Mejor y mayor cobertura (incluyendo Guaynabo)
- ✓ Precios más bajos del mercado
- ✓ Más fácil de leer


infopáginas

Te encontrarán • www.infopaginas.com

Llama al 787-625-0555 o escribe a: ventas@infopaginas.com

Búscanos ahora en www.infopaginas.com

Puerto Rico needs its own solutions to healthcare

Former U.S. Health & Human Services Secretary Michael Leavitt hit it right on the head in a presentation here last week when he said that, due to Puerto Rico's somewhat different political and social situation from the rest of the U.S., the island must devise uniquely Puerto Rican solutions to its healthcare challenges.

We could not agree more.

Much as Puerto Rico did in the 1950s and '60s to raise itself from being known as the Poorhouse of the Caribbean, today we face a similar challenge to become leaders once again and not followers of systems which often don't apply to our particular and somewhat peculiar situation.

Leavitt, who met with Puerto Rico's top hospital, health insurance and medical service executives with a presentation followed by a roundtable discussion, told industry leaders that true health reform, both nationally and locally, will not occur until everyone gets together to design a plan for Puerto Rico on how to deliver services in a manner that will sustain our hospitals, permit our medical schools to operate and provide basic care back to our citizens.

Leavitt, who obviously dealt with such issues when he headed the U.S. Department of Health & Human Resources under former President George W. Bush, said he believes healthcare spending gone wild is a main driver behind the federal government's fiscal problems and is becoming an enormous weight on America's competitiveness in the global economy.

Finding a solution to this problem, according to Leavitt, is this generation's largest challenge. And so it is in Puerto Rico where a combination of comparatively low federal reimbursements vis a vis the 50 states and our home-grown Health Reform *tarjetita* are taking a huge financial toll on our government's coffers.

Leavitt, who was also Environmental Protection Agency director and a three-term governor of Utah, has the experience to know what he is talking about.

He praised the idea of a national health insurance exchange and the fostering of electronic medical-record systems and other technologies but drew the line when it came to costs. Although favorable to Puerto Rico, the House version of the bill, probably won't prevail, according to Leavitt, who thinks the final legislation will more closely follow the more conservative Senate version which in no way offers parity to Puerto Rico either in funding or being part of the exchange.

Apparently he is not alone in his thinking as Gov. Luis Fortuño is going to Washington next week to see how he can sway senators and Obama administration officials to give Puerto Rico more substantial treatment.

Leavitt has little doubt the Medicare system is moving toward insolvency and its Trust Fund, which has been earmarked to be out of money by 2016, will actually collapse much sooner. He noted that when the program began there were 6.5 workers contributing for every beneficiary and we are now down to four workers, which, he believes, in 20 years will have dropped to only 2.3 workers paying for one beneficiary.

It is not a happy picture, but it appears to be a true one painted by someone who has been there and done that. And yet he is someone who believes in finding solutions.

In the case of Puerto Rico, the former HHS secretary said there is no question there are inequities here but instead of dwelling on them the answer is to find new solutions to create an efficient healthcare system regardless of how Puerto Rico fares in the final national legislation.

As we said, this means we have to go back to the days of the 1950s and '60s where solutions were devised to pull us up by our bootstraps in terms of manufacturing and tourism. And the time has never been riper than today to do so again. ■

READERS' OPINION

The bribery cycle

It is ironic that in their pursuit to obtain witnesses in cases of bribery and/or corruption, federal authorities use bribery as well, just like the rest of the witnesses they bribe, who also bribe others down the line, while only one person gets charged.

Take the case of former Sen. Jorge De Castro Font: The businessman uses bribery by paying the senator to influence legislation for his company's benefit. He usually accomplishes this through his advertising or public relations agency, subjecting them to produce a fake bill for services not rendered. This may also be considered a bribe, since failure to comply may result in the agency losing the account! (I strongly contest the necessity to bribe anyone to testify about a fake bill, since these ought to be extremely easy to corroborate).

So where does it end, and why is it acceptable for the federal government, the businessmen and/or the Justice Department to bribe, or have knowledge of bribery down the line, if the culprits in the middle of the scam usually go unpunished? In other words, for every person punished for bribery or corruption, at least three or four go unpunished.

Is this justice? Is the criminal offense of bribery justified when used to charge or investigate an individual who commits a similar crime? It seems ludicrous to me that the feds bribe the businessman with immunity to get him to testify that he bribed his advertising agency to produce fake bills to pay the senator in order to bribe him to obtain special favors through his legislative influence. Only the senator ends up getting charged, while the businessman and the advertising agencies don't even get slaps on the wrist for being co-conspirators in the overall scheme!

With such privileges of immunity, it is no wonder we have so many unpunished white-collar crimes, and why our moral standards are so thin.

Cuqui Santoni
San Juan

Thanks for the memories

What a pleasure it was reading your Happy Holiday poem of 1978, and to reminisce about those days, 31 years ago. It brought instant images of friends and acquaintances.



And, what a quiver I felt when I saw my name, again, amongst the titans of that era. It was a great era that has long since gone, and never to return.

God Bless those that are not with us, but now remembered. For those of us still here, we thank you for those blissful memories.

Peter A. Noble
City councilman, Greenacres, Fla.

A history lesson

The Pilgrims were not colonizers. And what happened to the millions of Native Americans who lived in what is now the United States and who were driven away, or died in wars and from disease?

Former Gov. Carlos Romero Barceló is very selective in his view of history ("Thanksgiving Day," CB Dec. 3). England conquered what is now the United States, in the same way that France and Spain and Portugal conquered the southern hemisphere.

Kal Wagenheim*

*submitted through our website
Caribbeanbusinesspr.com

CARIBBEAN BUSINESS welcomes letters from its readers on stories, editorials, and columns we have published. They should be limited in length to 500 words and addressed to The Editor, CARIBBEAN BUSINESS, 1700 Ave. Fernández Juncos, San Juan, PR 00909-2938 or at cbeditor@caribbeanbusinesspr.com. We reserve the right to edit. Additional comments are welcome on caribbeanbusinesspr.com. Go to Sign in link on the homepage. Emails also may be sent to readersopinion@caribbeanbusinesspr.com