

## Fixing Healthcare Podcast Transcript

### Rep. Eric Swalwell

- Jeremy Corr: Hello, and welcome to season three of the Fixing Healthcare podcast. I'm one of your hosts, Jeremy Corr. I am also the host of the popular New Books in Medicine podcast. With me is Dr. Robert Pearl. For 18 years, Robert was the CEO of The Permanente Medical Group, the nation's largest physician group. He is currently a Forbes contributor, professor at both the Stanford University School of Medicine and Business, and author of the best-selling book, "Mistreated: Why We Think We're Getting Good Healthcare--and Why We're Usually Wrong."
- Robert Pearl: Hello everyone and welcome to our monthly podcast aimed at addressing the failures of the American healthcare system and finding solutions to make it, once again, the best in the world. Our focus this season is on the role of government in healthcare. As always, we invite you the listeners to share your thoughts on this topic. Please visit my website, [RobertPearlMD.com](http://RobertPearlMD.com), to take the new "Fixing Healthcare Survey." We've been reading and discussing the best listener suggestions throughout this season.
- Jeremy Corr: In this episode, we welcome former presidential candidate and current House Representative Eric Swalwell, from California's 15th Congressional District. A rising star in the democratic party, Eric serves on several House committees, including the high-profile Judiciary and Intelligence committees. He is now in his fourth term and joins us today to offer his thoughts on the role of government in advancing our nation's healthcare agenda.
- Robert Pearl: Welcome, Representative Swalwell, we're thrilled to have you on the show. Congressman Swalwell, what are the three biggest changes you would make to American healthcare if you could?
- Eric Swalwell: Well, thank you so much for having me on the podcast. First and foremost, I would make sure that every family in America has access to healthcare. And healthcare to me includes prescription drugs.
- Eric Swalwell: And I think we have the wealth as a nation to make sure that that's the case. Certainly, the Affordable Care Act has gotten us closer there. But I still see too many families where a bad diagnosis, or an expensive prescription drug can wipe them out.
- Eric Swalwell: But the second, I think it's really about the future of medicine, in that we need to be a country of cures again, and investing in cures in our lifetime, by dramatically increasing what we spend on genomics and targeted therapies, and just making sure we know more at the beginning of life about who we are, so we can have better therapies throughout life, and just better understanding when a bad diagnosis comes.

Eric Swalwell: And then third would be, to just make sure that our children, at the earliest of ages, are educated about diet and exercise. And I think Michelle Obama was the biggest person to try and make strides on this, and she was ridiculed, and it was politicized, sadly. But I think really making sure that our kids, and what they eat at school, and their preschools, really set them on a course for a healthy lifestyle, so that you can head off some of the costlier issues that they would take on later in life.

Robert Pearl: What do you see as the role of Congress in making each of these improvements happen?

Eric Swalwell: On the first one, I'm a big supporter of Medicare for anyone who wants it. Essentially, a hybrid system, where the Federal government would dramatically increase what it contributes to healthcare, to have a public option. Not to eliminate private insurance, but with a robust public option, to make private insurance more competitive, and frankly, more accountable on their costs, and who is covered.

Eric Swalwell: Also, when it comes to cures, though, the private sector can do so much, and that's why I don't want to give up on the private sector. There's just so much they can do, that the Federal government just cannot do, and I think when it comes to cures, the private sector, that's where you find the ingenuity and the people, but it's really going to take public funding to get there.

Eric Swalwell: And we're so close, whether it's ALS, and there's so much hope that this year there's going to be treatments for ALS. I've been working with a group called iamals.org, and they've seen great strides from medicine. Also, on pancreatic cancer, at the University of Nebraska, believes that they're just a millimeter away in being able to detect pancreatic cancer in Stage One.

Eric Swalwell: So, it's really investing public funds to find those cures that I think can get us there, and ultimately expand access and bring down the cost. And that takes bipartisan leadership in Congress.

Robert Pearl: Listening to members of Congress in both the House and the Senate, drug prices and the behaviors of the drug companies have consistently labelled unacceptable and irresponsible. Yet significant legislation to address the problem has not been enacted. Why is that?

Eric Swalwell: We recently passed prescription drug reform in the House, but I would agree with you that we've not seen enough bipartisan progress in that I would like to see more Republicans, especially with a President who has talked about prescription drug reform, show more seriousness.

Eric Swalwell: Because controlling one of the costs to opening up markets, as long as imported drugs are safe, and that patients in the United States would have rights to the courts if they're not safe, I think that certainly should be explored. But also,

looking at our patent process, to make sure that you're not stymieing competition. I think that's a real opportunity.

Eric Swalwell: Again, the President has talked about it, and I'll take him at his word that he wants to do something on prescription drugs, but we're going to need leadership to get the prescription drug bill that we passed in the House to get a vote, or some sort of reform in the Senate.

Eric Swalwell: In my role, I've tried to work on precision medicine, and have formed, with a Republican, the personalized medicine caucus. I recently formed that with Tom Emmer of Minnesota. And we have two Senators, Tim Scott, a Republican from South Carolina, and Kyrsten Sinema, a Democrat from Arizona, who are leading that in the Senate.

Eric Swalwell: And so, that caucus will work particularly on individualized medicine, which as you know, is a rapidly-advancing field, where physicians can use diagnostic tests, as I was talking about earlier, with genomics, to find specialized procedures for each patient.

Eric Swalwell: So, my hope is that precision medicine can be the future, and I also have a legislation in the Congress called Access to Precision Medicine Act. It's got bipartisan support. I think medicine has to be bipartisan, any legislation in that area, and that's where I've tried to lead.

Robert Pearl: We recently had James Carville on our show, and he talked about the possibility of a lot of this research, particularly in the areas you're describing, precision medicine, genomics, as being funded by the government, but owned by the government, rather than owned by the private drug companies. Do you have a view of that, as a Congressman?

Eric Swalwell: I certainly am open to that, and I do like the idea. Just as it was the government, through the Department of Defense, that launched the Internet, I think you're going to see the same thing with genomics.

Eric Swalwell: And my concern, and my priority every time we write legislation like this, is that you're not enabling a cure that is only available to the wealthy, that it's a cure that would be expensive, and it wouldn't take decades for the rest of America to be able to afford it. And that's often the case with most therapies today, is that it's only available for people of means, and I would like to move away with that.

Eric Swalwell: So, Mr. Carville's idea, I think it's probably in that spirit, and I'm certainly open to that.

Robert Pearl: Would you favor the government, then, being able to negotiate for the prices of these very expensive drugs?

Eric Swalwell: I should have mentioned that earlier. Yes. I do. In prescription drug reform, that was part of what we had passed, and I do support giving the government greater leverage in negotiating what the prices are.

Robert Pearl: Excellent. A recent article in the New England Journal of Medicine demonstrated that hospital consolidation has led to higher prices, but reduced services, and at best, unchanged, even declining, quality. Should Congress pass legislation to address this type of monopolistic pricing, as it does across almost every other industry in the United States?

Eric Swalwell: Yes, and not just with hospitals, but when I ran for President, I saw this, also, with agriculture, that market consolidation has affected our sources for food. This is becoming a problem in America. It's also, as you see the Amazon effect on small businesses and retailers, that we, I think, have lost the reins that we had before on monopolies, and we certainly should make sure that the next President has a Department of Justice that is looking at anti-competitive practices, and not only to include hospitals, but to make sure that communities are not being left out, particularly rural communities that are not seen as, as profitable as hospitals consolidate.

Eric Swalwell: Because as a candidate for President, I saw in Iowa and New Hampshire in particular, that patients had to drive hours to see a doctor. And yes, there have been advances in tele-medicine, and I support those, but there are some things that you still need to come in for a procedure, and it's becoming more and more prohibitive.

Robert Pearl: I was very impressed by your performance on the Presidential Debate. I was disappointed you were not given a lot more time. What's it like, running for President of the United States?

Eric Swalwell: It's a test of confidence. It's exciting in many ways. But every day, you have to find the confidence in yourself to believe that you can not only do the job, which I believe I could do, and make the country better, which is the reason I ran, but you're matching up against people who have phenomenal backgrounds and qualifications and ideas.

Eric Swalwell: I would say that was the part that I didn't expect to grapple with as much, and I have much more respect now for anyone who's ever emerged as a nominee for their party, because you will not only have passed a test of confidence with the voters, which is important, but a test of confidence in yourself, which I think is just as challenging.

Eric Swalwell: I learned a lot about who we are as a country, and I think my own constituents on the issues of gun violence, and just cures in our lifetime, which was also an initiative we ran on, will benefit, because I'm still going to fight for those in Congress.

Robert Pearl: So, when it comes to healthcare, how should we delineate the responsibility of government versus the personal responsibility of the individual?

Eric Swalwell: Yeah, it's a great question. I talked to conservative friends about this all the time, and I don't think they're wrong when they say, we do have a personal responsibility for our own behavior, meaning that eating healthy, taking preventive acts by being seen earlier to make sure you can catch a diagnosis earlier, and just use more preventative means, but also exercising as often as possible.

Eric Swalwell: And when I have these conversations with my friends, I remind them, as I told you earlier, Michelle Obama actually tried some of this, and was criticized as being Big Brother in the classroom, or Big Government trying to tell your kids what they're supposed to eat. And I'm just a believer, as a parent of a two-year-old and a one-year-old, that what I do right now with my kids will shape and form how they make decisions for the rest of their lives.

Eric Swalwell: And so, that's why it's so important that my wife and I give them healthy food options. Which doesn't mean that they can't have snacks, and they can't have ice cream after dinner, but that they have a balanced diet, and as they get older, we continue to encourage recreation and exercise and outdoor activities, so that guides them for the rest of their life. And I think that can be almost half the battle, when it comes to healthcare.

Eric Swalwell: And so, that comes down to parenting, and what our teachers do with our children in the classroom, and we shouldn't see that as Big Government, we should just see that as a big savings.

Jeremy Corr: Well, my first question would be for you would be, as a small business owner, I look around and see, or even talk to a lot of other people, who are interested in starting small businesses, but are concerned about the cost of health insurance, and that being the biggest hurdle to overcome when it comes to starting your own small business, if you don't have a spouse, or something like that, that can cover your health insurance.

Jeremy Corr: Do you think that limits innovation and potential other small businesses starting up, as the cost of health insurance is a major deterrent for innovation?

Eric Swalwell: I do. I see two drivers that are leading to fewer and fewer young people starting businesses, because entrepreneurship among Millennials is actually in decline.

Eric Swalwell: And the two drivers I see are, one, the startup capital you need to start a business, and that's largely tied to the student loan debt, and that relates back to medicine, because a lot of doctors and dentists come out with \$300,000, \$400,000 in student loan debt, which is preventing them from having their own practice, and they join large practice groups, and that's a part of the consolidation problem that Robbie was talking about earlier.

Eric Swalwell: The second issue is, yes, even if you can get the capital to finance a good idea, the costs of providing healthcare to your workforce is certainly intimidating.

Eric Swalwell: Now, as you know, the Affordable Care Act, I believe, is, 50 employees or more, is what you must have, to be required to provide healthcare. If you have less than that, you're not required. But if you want to be competitive, you're going to have to provide healthcare to your employees.

Eric Swalwell: And that's why I think investing in a public option can drive down not only the cost of healthcare in a public plan, but also ideally with public insurance plans.

Jeremy Corr: So, my final question for you would be, I live in rural Iowa. I grew up in rural Iowa, and still live in Iowa, and I would say the majority of people you talk to that are lower-middle income to middle income, who make too much money to qualify for Medicaid, or anything like that, who have health insurance, but extremely high deductibles, know that if they use their health insurance, they're going to get hit with potentially \$7,000 in bills, or whatever, depending on their deductible, that they cannot afford. They don't have that kind of money sitting around.

Jeremy Corr: And those people are completely disheartened, discouraged, think there's no hope in sight. What message do you have to those people?

Eric Swalwell: Fight for better, more affordable, accessible healthcare. And that doesn't mean that we throw overboard the private insurance markets. But we shouldn't have to live that way. And I'm familiar with that, and any young parent is. We had a daughter in October of 2018, and we are still, I'm not kidding you, receiving bills from the delivery.

Eric Swalwell: It's just maddening, and this is actually a part of the surprise billing problem in America, but it's also tied for us, as far as the deductible issue, and what you ultimately are on the hook for. I think a lack of transparency is also an issue. There's no other good or service that we consume in our lives, where we truly get the service, and have no idea what it's going to cost, or why it's going to cost as much as it does. That's something I think government, in a bipartisan way, can work on as well.

Robert Pearl: And I think, too, the vast majority of consumers, when they get that medical bill in the mail, have no idea what it means.

Eric Swalwell: Yes. And that includes this member of Congress, and his wife. And what my wife and I do is, we'll go back, look at the policy, try and figure it out, and then my wife calls, and she fights the insurance companies.

Eric Swalwell: And she said something to me recently. She said, "What do people do who cannot spend 45 minutes during the day fighting an insurance company, if they have a shift job, and they have a 15-minute break, or they get off work when

the insurance company is closed?" And I told her, "They either just pay it, or they go deep, deep into credit issues, because they can't afford to pay."

- Robert Pearl: Or they often declare bankruptcy, one of the most common causes in the United States being healthcare.
- Eric Swalwell: Healthcare and student loan debt, and those are two of the issues that I think we can do something about in Congress.
- Jeremy Corr: Eric, thank you so much for being on the show.
- Eric Swalwell: Of course. Thank you both.
- Jeremy Corr: I appreciate your leadership in Congress, and hope that you'll make another run for president four years from now.
- Eric Swalwell: Oh, thanks, Robbie. Thank you, Jeremy.
- Jeremy Corr: Thank you again, Representative Swalwell. Robbie, we just heard some provocative ideas from a major voice in the U.S. House of Representatives. I'd like to ask you to breakdown for our listeners some of the ideas that stood out to you. Let's begin with what Eric calls "Medicare for anyone who wants it."
- Robert Pearl: In the Democratic debates, voters have essentially heard three different healthcare policies. On the far left, Senators Sanders and Warren back Medicare for all, which guarantees health coverage to every American. Closer to the center, we have candidates like Joe Biden who want to improve upon our nation's existing healthcare law, the Affordable Care Act. Splitting the ideological difference is 'Medicare for some' or 'Medicare for all who want it,' which Mayor Pete Buttigieg supports.
- Robert Pearl: In the past, I've described this as Medicare for All in slow motion because its most vocal proponents have publicly called it a natural glide path to single-payer.
- Robert Pearl: In the short term, this option would expand the availability of Medicare while allowing individuals to keep their private insurance if they prefer it. It could be a great solution for consumers in markets with only one option because it would create competition.
- Robert Pearl: On the other hand, it's not yet clear how the government would set the pricing. It's a little-discussed fact that the Medicare program reimburses doctors and hospitals at 90% of the cost to deliver care to the 60 million current beneficiaries. Therefore, private insurers offset these costs, paying about 130% of the actual cost to treat American workers and their dependents.

Robert Pearl: So, if Medicare becomes available to more people at the current reimbursement level, then the government will have an unfair competitive advantage over commercial insurance plans.

Robert Pearl: As commercial health insurance prices go up, more patients will gravitate toward the public option and, eventually, the private pool will dry up. The end result will be Medicare for All, which leads to a second set of problems. Reimbursing all doctors and hospitals at 90% of the fully allocated cost will either force hospitals to close or it will require major tax increases. Neither option will be popular with the public.

Robert Pearl: Ultimately, voters must recognize that it doesn't matter who pays for your healthcare. Whether it's the government or private insurance companies, the real problem is the cost of delivering healthcare, which continues to rise faster than inflation and worker's wages. Simply offering Medicare to a larger segment of the population doesn't solve than issue.

Jeremy Corr: Great points, Robbie. So, what did you think about Representative Swalwell's ideas for addressing the various issues with the pharmaceutical industry and the individual drug companies?

Robert Pearl: Eric has spent a lot of time exploring this area, and I concur with many of his suggestions. He points out that the goal of researching new medications should be to find cures for diseases that threaten human health. I particularly liked his focus on creating private-public partnerships as an approach to bring effective medications to patients sooner. The ongoing Coronavirus epidemic is a powerful example. Hopefully with government support and National Institute of Health or NIH assistance, the pharmaceutical industry can manufacture not only medications to counter the virus in those infected, but also vaccines to prevent the spread in the first place.

Robert Pearl: As a partner with the drug industry in developing these next generation of drugs, the government should share in the profits generated and invest them in additional research and development. As you know, in the past, drug companies have used publicly derived knowledge and NIH paid for research to create and bring to market high-priced, highly-profitable drugs. The tax-payer has been short-changed in the process. That needs to change.

Robert Pearl: When it comes to the drug bill Eric references that was passed by the House, I support many of its provisions, including legislation that empowers the Health and Human Services Secretary to negotiate prices for up to 250 of the most expensive drugs each year. The House-approved legislation also calls for drug manufacturers who raise their prices by more than the rate of inflation to pay a partial rebate to the federal government. Although I could quibble with certain details of the House bill, my bigger concern is that it was doomed from the start. The House members knew that the Senate would never pass this law in its current form.



Robert Pearl: And quite a number of the Representatives who voted for this bill had previously supported patent extension and other very favorable legislation on behalf of the drug companies in their district. As such, I worry that the actual support for this type of legislation is insufficient for real change. As such, we won't see the reining in of egregious drug pricing anytime in the near future and drug prices will continue to rise at 2-3 times general medical costs and wages in 2020 and beyond.

Robert Pearl: Jeremy, let me ask you a question. You live in Iowa and have experienced the start of the run-up to the presidential election. What's been healthcare's role in the debate?

Jeremy Corr: Healthcare has been front and center in the conversation among the candidates for the Democratic nomination because it's high on the list of priorities for midwestern voters. The debate between Medicare for All, Medicare for Some and Affordable Care Act expansion has been loud and contentious. At every forum I have attended so far, candidates have been asked multiple questions on the topic. It's clear that a growing number of voters are finding it difficult or impossible to pay their healthcare bills. Remember that Iowa has large number of small businesses, entrepreneurs and farmers. Their wages are not going up nearly as fast as the costs of drugs and hospital bills. And for those in rural areas, access to medical care is declining. No one's certain about the best solution, but everyone wants to know where the candidates stand on these issues.

Jeremy Corr: One last question for you, Robbie. Eric talked about hospital consolidation. I know you recently wrote an article for Forbes on this topic. What are your thoughts?

Robert Pearl: Hospital consolidation has become rampant across the United States. Last year alone, 102 hospitals either merged or were bought. And rather than hospitals coming together to increase efficiency or create centers of excellence that lead to better patient care, these mergers are all about gaining market control to raise prices. The reality is that when you're a hospital that owns all of the facilities in a 50 mile-radius, insurance companies and patients have no choice but to pay you whatever you want to charge. The government should impose restrictions and penalties when these mergers become anti-competitive. Monopolies are never in the public's best interest. So far, the government has done little to stop them.

Robert Pearl: Obviously, this leads to a major issue in areas like Iowa, which is what will happen to rural hospitals? The truth is going to be difficult for many people to hear, especially those living in smaller communities. Most rural hospitals are too small to provide high quality medical care at a reasonable price. The government has subsidized them, but the rising cost of doing so is putting their long-term viability at risk. I believe we need a different model for people who live where hospitals options are few and far between.

- Robert Pearl: Perhaps we can take a lesson from the U.S. Army. It has been demonstrated that soldiers are more likely to survive and recover when they're stabilized on the battlefield and transferred to a full-service hospital rather than being treated on the ground.
- Robert Pearl: I think the same model could work in rural America. First, keep the emergency department open 24 hours each day with added staff and technology. This would allow patients to be resuscitated and stabilized. Second, put in place rapid, low cost transportation solutions to facilitate transfer of those needing greater care to larger hospitals and centers of excellence. Finally connect each of the 24 hour ERs with world-class specialists who can provide consultation and oversee the treatment of the most complex patients.
- Robert Pearl: The combination will provide patients in rural areas superior outcomes, greater clinical expertise and improved quality outcomes. Implementing the model will require legislative and regulatory change. In addition, clinical leaders will need to overcome fears of smaller towns that their medical needs will be compromised. However, given the demographic numbers, this approach is the best long-term solution to this difficult and complex problem.
- Jeremy Corr: Before we go, let's take a minute to read some of the listener feedback from the Fixing Healthcare survey. This season, we're interested in your thoughts on this important question: "How can the U.S. government best improve healthcare?" I encourage you, our listeners, to weigh in and submit your ideas at [robertpearlmd.com](http://robertpearlmd.com).
- Jeremy Corr: Earlier this season, we heard from listeners who advocate for reducing the role of government in healthcare. For this episode, we hear from listeners Ian Sacks, Ladd Udy and Ryan Tolman who want to see the government deliver smarter and more effective healthcare solutions.
- Jeremy Corr: Ian believes the government can improve its VA and Medicare programs with assistance from proven, private sector leaders. Ladd says improvements can begin by changing how the U.S. government pays for care within Medicare and Medicaid. Finally, Ryan believes the U.S. government can make the shift to value payments easier by focusing and investing in preventative health. To do so, it will need to place a much larger emphasis on primary care.
- Jeremy Corr: Robbie, here are three different ways to strengthen existing government programs and models. What do you think about our listeners' suggestions?
- Robert Pearl: As always, our listeners have provided well thought ideas. Like Ian, I believe that leadership is essential. However, before the government looks to hiring private-sector expertise, it needs to figure out whether it really wants to play a bigger role in the delivery system. So far, it has shied away from intervening with

doctors and hospitals. One option would be for the government not only to fund healthcare, but also to provide the care directly. The other option would be to remain predominantly a purchaser of healthcare. In either case, experienced, leadership expertise would be valuable.

Robert Pearl: Like Ladd, I agree that the government needs to shift how it pays for Medicare and Medicaid. In particular, the fee-for-service approach is doomed to fail because invariably the amount of care provided ends up being more than patients need. In a Mayo Clinic study, across the country, 30% of everything that doctors do has been shown to be of little or no value to patients.

Robert Pearl: And as part of the government's role, in situations where hospitals and drug companies have gained monopolistic control, it will need to impose the same types of restrictions and penalties that it does in other industries. Finally, like Ryan, I agree that we need more physicians in primary care and fewer in specialty areas. Primary care has been proven to be almost three times more impactful in terms of people's health and longevity, and yet our nation now has 11% fewer primary care doctors per capita than we did 20 years ago.

Jeremy Corr: Once again, thanks to Ian Sacks, Ladd Udy, Ryan Tolman, and everyone who participated in the Fixing Healthcare survey so far on [robertpearlmd.com](http://robertpearlmd.com).

Robert Pearl: Please subscribe to Fixing Healthcare on Apple Podcasts. If you enjoyed this episode, please give our show a five-star rating and leave a review. Visit our website at [fixinghealthcarepodcast.com](http://fixinghealthcarepodcast.com). Follow us on LinkedIn, Facebook, and Twitter @FixingHCPodcast. We hope you enjoyed this podcast and will tell your friends and colleagues about it. Together, we can make American healthcare, once again, the best in the world.

Jeremy Corr: Thank you for listening to Fixing Healthcare with Dr. Robert Pearl and Jeremy Corr. Have a great day.