



Interview with Newt Gingrich

August 2005

The Center for Medicines in the Public Interest (CMPI) is pleased to feature former Speaker of the House Newt Gingrich in its first regular monthly interview. Speaker Gingrich spoke with CMPI's director Peter Pitts on a number of drug policy issues, including how the FDA can improve the drug approval process; the problem with price controls; medicine in the future; and his ideas for reforming America's health care system. Speaker Gingrich is founder of the Center for Health Transformation.

Peter Pitts: Hello Mr. Speaker. Thank you for taking the time to chat with us.

Speaker Gingrich: I'm delighted to have the chance to talk with you.

Peter Pitts: Mr. Speaker, a lot of people talk about personalized medicine – but what do you think we need to do to make it a reality?

Speaker Gingrich: In the long run, it's going to involve DNA data because there are so many things we can learn, particularly with regard to cancer. In the short run, it's already starting to evolve. Take a look at the iHealth record product, for example, where you could keep your personal information and send it to a doctor using encrypted email. It's an example of a baby step in the right direction. I just saw a diabetes cell phone that is being developed in Korea and has actually been submitted to the FDA. It will allow those who have diabetes to monitor their condition on a cell phone, send the data to their personal health record and to their doctor, and even schedule a set time to remind them to check their blood sugar. It sounds like a bit of magic, but it's all coming down the road right now.

Peter Pitts: Do you think that pharmaceutical companies have the economic models to make personalized medicine a reality, and does the FDA have the tools to review them and approve them?

Speaker Gingrich: Part of the reason why we are going to see more personalized, narrowly focused drugs by both pharmaceuticals, and even more important, biotechs, is that we are now entering a period where drug companies will be able to reach you in a

targeted way. When a drug company rolls out a drug to certain people, it has to go to every doctor's office in the hope that it will find the 12 doctors that actually need the specific drug. But if it can actually target electronically – for example, because we actually have electronic records now, we could contact directly the 30,000 people who are on Vioxx the morning there was a problem. That's the kind of step towards the model that I am describing, where you would know that there are X number of thousand people who have Lou Gehrig's disease, and you can reach them instantly without an ad campaign. You could also reach the doctors instantly and therefore, you would actually dramatically increase the net value of certain drugs because you would so dramatically lower both the loss time and the distribution time.

Peter Pitts: What would be the broad implications for that in terms of changing the overall health care model – to evolve from an acute care model to more of a chronic care model?

Speaker Gingrich: Well there is a difference, let me draw a distinction here. In acute care, you're going to get more rapidly focused, narrow delivery of precisely what you need for your acute problem. Cancer is probably the best example. In chronic care, if Andrew von Eschenbach at the National Cancer Institute is successful, after 2015, it would include most cancers because cancer will either be eliminated from your body, or will be reduced to a chronic condition that you manage. A chronic condition will require lifetime management, which in some cases could mean diet, exercise, and attitude. In other cases, it will be the application of appropriate medications. It will be less profitable per unit, but there will be massively more units. Businesses will either use traditional acute care or orphan drugs.

Peter Pitts: How do you get physicians and patients in the mindset that they can be cared for individually and precisely, as opposed to waiting until something bad happens, then go for treatment?

Speaker Gingrich: Well part of it is an incentivization program. I'll give you two examples. I was just at Des Moines University in Des Moines, Iowa, where they actually gave bonuses to faculty and students for being compliant on exercise, blood pressure, and

the management of diabetes. It's a terrific program. And they are beginning to have real impact because people are focused on their own behavior. I also know that in the Mercy Health system in St. Louis, 76% of the blue collar workers in a factory signed up for a personalized contract and an incentive plan – 93% of their diabetics are compliant. So those are examples of focused incentives.

We are working in Georgia with 14 corporations and state government to begin to put together a Bridges to Excellence diabetes program that pays the doctors \$100 in advance for managing diabetes. With the patients in Cincinnati and Mobile, they've been saving about \$150 a patient for a net of \$250 per patient per year by incentivizing the doctor. We believe that if you combine that with incentivizing the patient, you'll get an even better response. And with this new diabetic phone, you are going to get dramatic improvements in compliance. So take those three packages – they are all available we hope by January or February, you'll see all that come together.

Peter Pitts: That's an interesting point – the convergence of technology on the one side, and drugs and biologics on the other. On the technology front, what role will medical devices or medical technology inside the body play in the future?

Speaker Gingrich: I believe almost certainly, in the next decade, you'll have the equivalent of a pacemaker/cell phone. Your pacemaker will call 9/11 before you know anything is happening. It will also send routine monitoring data. I'm sure you've seen the shirts people wear that automatically keep track of vitals. What will happen at one level is that all of this will become ubiquitous invisibly. You won't notice, but it will be constant. It will involve medicine with a wireless capability and a massive bandwidth, matched up with expert systems that analyze data. Some of this is happening now.

A facility in Oregon now puts a GPS locator on a band on Alzheimer patients' arms. They can walk all over the area without having to worry about getting lost. They have wired their beds in such a way that the staff knows when they are laying down and sleeping soundly. If they have a walker, the walker is wired. If they can go to bed and in the middle of the night, go to the bathroom and later their walker doesn't move, there is a presumption that they fell down and within two minutes the nurse comes to check. It's a

very fascinating place and I strongly recommend that you look at it. It's an example of some of the things that you are asking about.

Peter Pitts: That's definitely going to avoid a lot of problems and a lot of complications down the road. What can the FDA, the National Health Institute, or the Center for Disease Control, or government in general do to help?

Speaker Gingrich: Well, you have to remember that government is the largest payer. It's up to the government to make purchases intelligently, and to incentivize. It's up to the government to help incentivize patients with Type II diabetes. It's up to the government to transform Medicaid, and to have the discipline of change. That's part one. For part two, it's up to the FDA to accelerate the introduction of entrepreneurial new products that are not life threatening. The diabetes phone may be one of these examples. You want to have very rapid flow of approval for things that are relatively easy to do.

Peter Pitts: And for those areas where approval doesn't exist, how can the FDA reform itself to make that happen?

Speaker Gingrich: Part of it is changing minds and to say, if we don't believe that there is something significantly dangerous about this, the bias should be in favor of approving it. When you get to a very sophisticated electronic health record system with expert analysis, you'll be able to approve things more rapidly because if something goes wrong, you can recall them more decisively. So that increases the level of risk you can take.

Peter Pitts: The pharmaceutical industry is in such a hole right now in terms of their reputation, what can it do to dig itself out of the hole to become a more positive player?

Speaker Gingrich: I think it should be clear to the pharmaceutical industry that they should focus on reaching and linking to an electronic health system, rather than producing massive commercials. If you look at the amount of money they spent on commercials in the last two years, you could probably provide an electronic health record for every person in the country. I think the more people see the pharmaceutical industry genuinely worried about people's health, the better off we are. Second, I think the more

we can move to a Travelocity model of selling drugs, where you have full information, know the strengths and weaknesses of each drug, what the side effects are, and the pricing, you are more in control. I think that would dramatically improve the image of the drug industry and give people a sense again that they are in charge as customers.

Peter Pitts: That’s an interesting concept, to have the pharmaceutical industry adopt and fund electronic records for all Americans.

Speaker Gingrich: If you look at what Pfizer is doing in Woodbury, Connecticut, they are in fact sponsoring information technology health care in that town. I think if the drug companies are focusing on reaching the customer in an informed way, designed to maximize health rather than profit, people would, in fact, understand that and be responsive to it.

Peter Pitts: The only question I have left is the big sky question. What’s the big idea to reform health care in this country?

Speaker Gingrich: Well, I don’t know that it’s a single big idea. We propose a Twenty-first Century Intelligent Health Care System. We propose three very large changes. First, moving away from acute care to focusing on wellness, prevention, and early detection. Second, from focusing on the provider, to focusing on the individual, so we get you involved in your health before you ever become ill. Third, that we take advantage of information technology, so that we maximize productivity, accuracy, speed – what people see everyday in other aspects of lives. We think those changes together really would make a dramatic difference in both saving lives and saving money.

Peter Pitts: How do you get Americans involved in their health care when they are not ill?

Speaker Gingrich: By moving to Health Savings Accounts and Health Reimbursement Accounts – when you start getting bills, you start getting directly involved. Second, if we should have a right to know pricing and quality legislation -- 93 percent of the country likes the idea of knowing the price and quality before making decisions. I think the

country is ready for change, but the politicians aren't. And I think 80 percent of the country favors electronic private health insurance for example.

Peter Pitts: What does your crystal ball tell you about legislation and price controls?

Speaker Gingrich: I think price controls are such a stunningly dumb idea. It has failed totally almost everywhere in the world. It has ruined the research components of pharmaceuticals in Canada. The danger is that if we don't move to a Travelocity model of individual control of purchasing, somewhere down the road, the government will start setting prices for what it pays for health care just because the prices are so staggering. For four thousand years of recorded history, when politicians have to choose between their own survival and your property, they choose your property and their own survival.

Peter Pitts: That's interesting, so basically replacing the debate over price with a practical movement forward in personal involvement. Thank you.

The opinions expressed in the interviews conducted by the Center for Medicines in the Public Interest do not necessarily represent the views of the Center or the Pacific Research Institute. We offer these interviews with the goal of informing the public debate.