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Pfizer CEO - An Insider Critique of the Health Care System

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Many people think the health care system in the United States needs to be fixed. It may be a surprise that Henry A. McKinnell is among them.

Mr. McKinnell is chairman and chief executive of [Pfizer](#), the world's largest drug maker, which made \$14 billion in profit last year, more than any other health care company. But in a new book, "A Call to Action" ([McGraw-Hill](#)), he says that the system needs radical changes.

His description of the problems will ring true to anyone who has ever visited a doctor or filled a prescription, though some of his solutions - like higher drug prices for Europe - may strike readers as, well, a bit self-serving. In late May, Mr. McKinnell spoke about his book. Following are excerpts from the conversation:

Q. What prompted you to write the book?

A. I've been concerned for some time, many years, actually, that in the United States and countries abroad, that when it comes to health care, we're on the wrong track, and the problem starts with the definition of the problem, which is the high cost of health care. We know how to solve that problem. It's rationing access to medicine and treatment and it's price controls. And if we do that, my fear has long been that that carried to its logical extreme wouldn't be successful, that people would get frustrated, that they would get angry, and that's exactly what's happened.

Q. Your main prescription seems to be health savings accounts, that you want people to have more accountability and you want them to be more involved in making decisions about their health care.

A. The basic point I make is that we are in a crisis: it's not in health care, it's in sick care, and it's not because of bad people or bad intentions, it's because of the incentives. When you pay for procedures, don't be surprised that you get a lot of procedures. If people think that somebody else is paying for their health care, please don't be surprised that they spend a lot of money. So it's really the incentives I think we need to look hard at, and health savings accounts are only one example of how we can shift the incentives to people having ownership of their own health and therefore health care, as opposed to thinking that some third party pays the bill.

Q. And you mention technology as a major force - you would like to see more technology, you would like to see people with more access to all their records?

A. Oh, clearly. The corner supermarket has more technology than the typical hospital, and the fact that we don't have electronic medical records is a national disgrace. It means files

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are lost; we don't have any kind of efficiency within the health care system. I've never seen a number I really believe, but the best estimate I've seen is that administration costs in health care are 30 percent. Most businesses run on 4 to 6 percent. There's a lot to be done just on the efficiency side.

But my basic problem is not just the use of technology for cost-saving, but the use of technology for better diagnosis, better patient care, better patient education. So, for example, when you see a doctor today, the first question is always the same. "How are you?" Well, in an information-rich environment, the doctor would know more about you than you do, so he wouldn't have to ask, "How are you?" He would start at a much later place in the process.

Q. There are going to be a lot of people who are skeptical from the very beginning -

A. I do address that -

Q. You do -

A. From the very beginning (laughs).

Q. Can you address why should anyone trust the head of the world's largest drug company?

A. Well, you don't have to trust me, but if you read the book, I think you'll begin to question a lot of things that we are doing within the system that just don't make a lot of sense. You don't have to trust me. But listen to the ideas, reject them if you wish, but if you find yourself agreeing to some of these ideas, let's then start a debate around why it is we do that and how can we do it differently.