



JANUARY 12, 2018 **BACKGROUND**

## Alex Michael Azar II, Nominee for Secretary of Health and Human Services

### INTRODUCTION

Michael Alex Azar II (Alex Azar) was nominated to serve as Secretary of the Department of Health and Human Services by President Trump on November 13, 2017. Upon Senate confirmation, he will replace President Trump's first Secretary, Tom Price, MD, who resigned in September 2017 amid controversy over his use of private planes for department business.

### POSITION

Secretary, Department of Health and Human Services (HHS)

### EDUCATION

Dartmouth College, BA; Yale Law School, JD

### AGE

50

### PROFESSIONAL HISTORY

- Seraphim Strategies
  - Chairman and Founder (2017–present)
- Eli Lilly and Co
  - (2007–2017)
- U.S. Department of Health and Human Services
  - Deputy Secretary (2005–2007)
  - General Counsel (2001–2005)
- Wiley Rein & Fielding
  - Partner (1996–2001)
- Whitewater Investigation
  - Independent counsel (1994–1996)
- Clerkships: U.S. Court of Appeals Judge J. Michael Luttig and Supreme Court Justice Antonin Scalia

### FAMILY

Mr. Azar and his wife, Jennifer Azar, have two children. His father is an ophthalmologist.

## SUMMARY

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Azar's nomination has been met with broad support from a range of stakeholders. He is viewed as knowledgeable and competent, having served as a high-level HHS official and as the head of a major pharmaceutical company. In line with the position of the administration, Azar is critical of the Affordable Care Act (ACA). While some Democrats have expressed concern about Azar's allegiances as a former pharmaceutical industry insider, others have acknowledged that his understanding of the industry will be key to addressing recent drug pricing controversies, which Azar has said will be a top priority for him if confirmed.

## RECORD / WHAT HE HAS SAID:

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Azar has discussed his views on health care policy in several appearances on cable news as well as in interviews for print and other media. He also responded to questioning before the Senate Health, Education, Labor and Pensions (HELP) and Finance Committees. Highlights from these records and his career history are below.

- **ACA/Health Reform**

- He has said that the ACA has created a “fundamentally broken system” that is “certainly circling the drain.” Additionally, “Obamacare plans are following the laws of economics. If you're running an insurance company you've got to be able to make money. To make money running an insurance company you have to be able to predict risk.” ([Fox Business](#))
- In another interview about the ACA, he said, “I'm not one to say many good things about Obamacare, but one of the nice things in it is it does give a tremendous amount authority to the secretary... . There are still changes that can be made to make it work a little better than it has been.” ([Bloomberg](#))
- Regarding a summer 2017 Senate Republican plan to dismantle the ACA, he said, “The status quo is bad—any change can only be a good thing.” ([Wall Street Journal](#))
- Responding to a question of whether Medicaid expansion under the ACA has been successful, he has said doesn't believe so and that he would have preferred to have “chosen vehicles that actually harness the private sector the way we did when we created the Medicare Part D program” to expand coverage. ([Zetema Project/YouTube](#))
- He described a second priority (after high drug prices) if confirmed is to “make healthcare more affordable, more available, and more tailored to what individuals want and need in their care. Under the status quo, premiums have been skyrocketing year after year, and choices have been dwindling. We must address these challenges for those who have insurance coverage and for those who have been pushed out or left out of the insurance market by the Affordable Care Act.” ([HELP Hearing Opening Statement](#))
- He is supportive of 1332 waivers, saying, “What we have now is not working for people. I want to work with states on these 1332 waivers and work with our authorities to just try to make that health insurance more affordable, make it real insurance and make it tailored to what they feel they need.” ([CNN](#))

- **Drug Pricing**

- During his tenure as President of Eli Lilly, the price of its Humalog insulin doubled; Lilly was one of three manufacturers sued in 2017 for alleged overpricing of insulin. ([Washington Post](#)) Azar has pointed to the flawed “system” as the cause, saying, “The current system of pricing insulin and other medicines ... that system is not working for the patients who have to pay out of pocket, and we have to recognize that impact.” ([CNBC](#))
- He believes that “[a]cross the board, drug prices are too high. Insulin prices are too high. All drug prices are too high in this country.” ([New York Times](#))
- He told the Senate HELP Committee that addressing drug prices is the first of four “critical areas” he will focus on if confirmed. ([HELP Hearing Opening Statement](#)) He believes he “can hit the ground running to work with you and others to identify solutions here,” also saying, “[t]hrough my experience helping to implement Part D and

with my extensive knowledge of how insurance, manufacturers, pharmacy, and government programs work together, I believe I can bring the skills and the experiences to the table that can help us address these issues while still encouraging discovery so Americans have access to high-quality care.” ([StatNews](#))

- While he has said there is “no silver bullet” for bringing down drug prices, he believes “the most important thing we have to figure out is, can we reverse the incentive on list prices? There’s a lot that we all know we can do on the net, the discounted prices. But I want to work with this committee and anyone who is smart and thoughtful about it. Can we create incentives that actually pull down those list prices so that when the patient walks in needing to pay out of pocket at the pharmacy, that they’re not hit with those kind of costs. That’s one of the harder issues to solve.” ([StatNews](#))
- He is generally opposed to proposals for Medicare to negotiate drug prices, saying, “For the government to negotiate there, we would have to have a single national formulary that restricted access to all seniors for medicines ... I don’t believe we want to go there in restricting patient access.” However, regarding Medicare Part B drugs specifically, he said some such proposals are “worth looking at.” ([New York Times](#))

- **Medicare, Medicaid and Children’s Health Insurance Program**

- When asked about proposals to make cuts at HHS to offset other budget needs, he said, “[t]he president has stated his opposition to cuts to Medicare, Medicaid or Social Security. ... He’s made that commitment. I will live up to that if I’m confirmed.” ([New York Times](#))
  - » Regarding Medicaid and the ACA specifically, he has said, “I don’t believe any of the proposals that the President or I would support involve cutting Medicaid, or cutting the expansion, but rather slowing the rate of growth over the next 10 years in the interest of sustainability.” ([CNN](#))
- A third priority for Azar, if confirmed, is to “harness the power of Medicare to shift the focus in our healthcare system from paying for procedures and sickness to paying for health and outcomes. We can better channel the power of health information technology, and leverage what is best in our programs and in the private, competitive marketplace to ensure the individual patient is at the center of decision making and his or her needs are being met with greater transparency and accountability.” ([HELP Hearing Opening Statement](#))
- Regarding Center for Medicare and Medicaid Innovation (CMMI) payment model demonstrations, Azar has suggested some should be mandatory, saying, “I want to be transparent and follow appropriate procedures, but to test a hypothesis there around changing our health care system, if it needs to be mandatory as opposed to be voluntary to get adequate data, then so be it.” Former HHS Secretary Price did not support mandatory models. ([Advisory Board](#))
- Azar is supportive of considering block grants for Medicaid, saying, “I do think it helps align incentives better where the states have the empowerment and also the accountability to manage those dollars as their own, and to really ... be creative and customize the use of the program and stretch it for their citizens.” He also said, “the devil’s in the details on how one structures the notion of any type of block grant, both in terms of the dollar amounts and then what strings from the federal government are attached to it in terms of who is -- who needs to be covered, who’s eligible, but not necessary to cover. That all would need to be worked out in legislation, which we’re certainly far from.” ([Finance Hearing Transcript](#))
- He told Finance Committee Chairman Hatch that he looks forward to “the very swift reauthorization” of CHIP, “so we can secure that program for this year and for the years to come, for our people. It really serves as a very important bridge and stable force for the children of our country.” He also said he looks forward to working with the Committee on “[w]ays that we can make that program more responsive, more effective for any of the beneficiaries in that program.” ([Finance Hearing Transcript](#))

- **Opioid Abuse**

- A fourth priority, if Azar is confirmed, is to “tackle the scourge of the opioid epidemic that is destroying so many individuals, families, and communities. We need aggressive prevention, education, regulatory, and enforcement efforts to stop over-prescribing and overuse of these legal and illegal drugs. And we need compassionate treatment for those suffering from dependence and addiction.” ([HELP Hearing Opening Statement](#))

## CONGRESS

- **Sen. Lamar Alexander (R-TN), Chairman, Senate HELP Committee:** “As a former deputy secretary of Health and Human Services and private sector executive, Alex Azar has the qualifications and experience to get results.” ([Statement](#))
- **Sen. Patty Murray (R-WA), Ranking Member, Senate HELP Committee:** “In considering Mr. Azar’s nomination I will seek to understand whether he is willing to stand up to President Trump and his Administration to ensure the needs of all patients and families are put first, whether science or ideology will drive his decision-making, and whether he plans to continue the Administration’s ongoing and unprecedented attack on women’s constitutionally protected health care rights. I am also interested in how, given Mr. Azar’s professional background, he believes he can fairly execute any significant effort to lower drug prices for patients — and I will do everything I can to ensure he meets the highest ethical standards, especially in the wake of former Secretary Price’s financial conflicts and abuse of office. ... I look forward to meeting with Mr. Azar and evaluating his qualifications through thorough, rigorous vetting and hearings.” ([Statement](#))
- **Sen. Orrin Hatch (R-UT), Chairman, Senate Finance Committee:** “The challenges plaguing the American healthcare system are serious. For too long, hardworking, middle-class families have been forced to bear the brunt of Obamacare’s failures in the form of higher premiums and fewer choices. The leader of HHS will be at the tip of the spear, working to not only right the wrongs of this deeply flawed law but also ensure the long-term sustainability of both Medicare and Medicaid. Mr. Azar has the experience, knowledge and fortitude to take on these daunting challenges.” ([Statement](#))
- **Sen. Ron Wyden (D-OR), Ranking Member, Senate Finance Committee:** “The Trump administration’s track record on health care to date is objectively abysmal. At every turn, the president has broken his promises to American families to lower health care costs, expand access, and bring down the high price of prescription drugs. ... I will closely scrutinize Mr. Azar’s record and ask for his commitment to faithfully implement the Affordable Care Act and take decisive, meaningful action to curtail the runaway train of prescription drug costs. Health care is too personal to be driven by politics, but that is what the leadership of HHS has offered so far.” ([Statement](#))
- **Rep. Kevin Brady (R-TX), Chairman, House Ways and Means Committee:** “I look forward to working with Alex Azar as the next Health and Human Services Secretary. Mr. Azar has had a long career focused on improving health care for all Americans — including serving as the HHS Deputy Secretary under President George W. Bush — and understands what it takes to address some of the biggest challenges facing Americans today. His experience will be key to lowering health care costs and increasing competition, innovation, and choice so Americans can access the health care that’s right for them. And he’ll help ensure that HHS is working properly for all types of health care providers and the patients they serve — today and in the future.” ([Statement](#))
- **Rep. Greg Walden (R-OR), Chairman, and Rep. Michael Burgess, MD (R-TX), Health Subcommittee Chairman, House Energy and Commerce Committee:** “We commend President Trump for nominating Alex Azar for Secretary of Health and Human Services. He is a veteran of HHS, bringing with him a wealth of institutional knowledge that will be instrumental in delivering patient-centered health care and combating the opioid crisis. We look forward to working with Mr. Azar on these critical issues and many others in the future.” ([Statement](#))

- **Rep. Frank Pallone (D-NJ), Ranking Member, House Energy and Commerce Committee:** “For ten months now the Trump Administration’s Health and Human Services Department has focused its attention on repealing and sabotaging the Affordable Care Act. While the Inspector General continues its investigation into the questionable use of taxpayer funds by former Secretary Price, it’s now time for the leadership at HHS to refocus its attention on its mission – ensuring that the American people have access to quality and affordable health care. HHS needs a strong leader who will implement the Affordable Care Act, rather than sabotage it, and who will work to lower costs for both health care coverage and prescription drugs. I look forward to hearing more from Mr. Azar as he begins the confirmation process.” ([Statement](#))

## INDUSTRY, ADVOCACY, THINK TANK AND POLITICAL ORGANIZATIONS

- **Rick Pollack, president and CEO, American Hospital Association:** “We welcome the nomination of Alex Azar to be Secretary of the Department of Health and Human Services (HHS). We are confident that his extensive background in business, health care and medicine distinguishes him as a uniquely qualified candidate for the vacancy. The expertise garnered from his career in the private sector and prior public service at HHS as Deputy Secretary will prove to be particularly valuable in addressing the serious challenges facing our nation’s health care system today. We look forward to working side-by-side with him to achieve our mission of advancing the health of the patients and communities we are privileged to serve.” ([Statement](#))
- **Chip Kahn, president and CEO, Federation of American Hospitals:** “We welcome and support the nomination of Alex Azar for HHS Secretary. His years of experience in government service and the health care sector makes him uniquely qualified to confront the challenges facing patients, families, and caregivers. I have worked with Mr. Azar in the past and think he is the perfect pick for the times. His steady hand of leadership will be critically important as the deliberations over health reform and the many health care quality and cost issues proceed. We encourage the US Senate to confirm Mr. Azar quickly. We look forward to working with him constructively on the future of American health care delivery and financing.” ([Statement](#))
- **David Barbe, MD, president, American Medical Association:** “Alex Azar is a capable and proven administrator who has a deep understanding of the HHS portfolio based on his prior work as Deputy Secretary and General Counsel.” ([Statement obtained by MedPage Today](#))
- **Georges Benjamin, MD, executive director, American Public Health Association:** “He’s smart, practical, listens to all sides.” “We’ve got somebody whose heart is in the right place.” “He knows the inside of the way the industry works; maybe he comes up with clever solutions.” ([Statements obtained by LA Times](#))
- **Marilynn Tavenner, president, America’s Health Insurance Plans:** “Congratulations to Alex Azar on his nomination to serve as Secretary of Health and Human Services. He has the experience and expertise to combine the best from the private sector with the best of our public programs to make health care work for every American. We look forward to working with him upon his confirmation to reduce health care costs, increase access, and strengthen essential programs that millions of Americans rely on for their coverage and care.” ([Statement](#))
- **Andy Slavitt, former administrator, Centers for Medicare and Medicaid Services:** “He is familiar with the high quality of the HHS staff, has real-world experience enough to be pragmatic, and will hopefully avoid repeating the mistakes of his predecessor.” ([Statement obtained by USA Today](#))
- **Holly Campbell, spokeswoman, PhRMA:** “Alex Azar has broad health expertise and extensive experience in the public and private sectors. His previous roles at the U.S. Department of Health and Human Services will serve to make him an effective leader in tackling our nation’s health challenges. We look forward to working with him in his new role to improve affordability and access for patients and their families.” ([Statement obtained by Indianapolis Star](#))
- **Kavita Patel, nonresident fellow, Center for Health Policy, Brookings Institution:** “He’s the best choice we have, given the current political situation.” ([Statement obtained by ABC News](#))
- **Robert Weissman, president, Public Citizen:** “Just days after denouncing “out-of-control” drug prices, President Donald Trump appears set to show he doesn’t mean it by naming a former pharmaceutical company executive to run the U.S. Department of Health and Human Services. If Alex Azar is nominated and his nomination confirmed, then Big Pharma’s coup d’etat in the health care sphere will be virtually complete.” ([Statement](#))

## OP-EDS

“Alex Azar has the temperament, judgment, and focus to lead HHS” — Former Sens. Bill Frist (R – TN) and Tom Daschle (D – SD). *Stat News*

“Alex Azar a perfect pick to lead Health agency” — Former GOP HHS Secretaries Tommy Thompson and Michael Leavitt. *The Hill*

### About the District Policy Group

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The District Policy Group is a bipartisan team of lobbyists and public policy professionals who advance client interests before the legislative and executive branches of government at the federal and state levels. The District Policy Group is a boutique lobbying practice within Drinker Biddle & Reath LLP — a prominent law firm, with a 167-year history and 635 lawyers across 12 offices.

The District Policy Group is different from other government relations and public policy teams in Washington, D.C. We are former Hill staffers and former in-house lobbyists. We jump into the substance and become experts on our clients' issues, concerns, cultures, policy positions, and advocacy agendas. With each representation, we customize our counsel and support to the individual needs of the client, factoring in internal resources, desired level of assistance, and particular policy goals. As a result, all of the insight, information, and recommendations we provide are relevant and tailored, and strategically advance our clients' respective interests.

We maintain close relationships with members of Congress, congressional and federal agency staff, and have numerous connections to staff and leaders entering the new administration. Our team is uniquely qualified to help clients navigate the rapidly changing political and health policy world.

### Primary Contacts



Ilisa Halpern Paul, President

(202) 230-5145

Ilisa.Paul@dbr.com

Ilisa Halpern Paul leads the District Policy Group and has more than 25 years of experience in government relations, advocacy, and policymaking in non-profit, academic, federally funded, and government settings. Ilisa's practice centers on advising clients with respect to advancing their federal legislative, regulatory and programmatic policy agendas. Her work has earned her the recognition as one of *The Hill's* Top Lobbyists of 2015 and 2016, as well as a feature story in *The Hill* regarding her rise to success.



The Honorable J. Phillip Gingrey, M.D., Senior Advisor

(202) 230-5163

Phil.Gingrey@dbr.com

Phil Gingrey is a senior advisor in the District Policy Group at Drinker Biddle. Dr. Gingrey is a former U.S. Congressman who served Georgia's 11th congressional district from 2003 to 2015. Throughout his 12 years in Congress, Dr. Gingrey served on numerous influential committees, including the House Committee on Energy &

Commerce, which focused on issues such as energy, health care, telecommunications, environment and interstate commerce. Also during his Congressional tenure, Dr. Gingrey served on the Committee on Education and the Workforce and the Committee on Armed Services.



Jodie Curtis, Executive Vice President

(202) 230-5147

Jodie.Curtis@dbr.com

Jodie Curtis co-heads the District Policy Group and focuses on federal policy, appropriations, and regulatory issues. She has more than 20 years of experience in government, Congressional affairs and representing the legislative and regulatory interests of for-profit, non-profit, and global organizations. Prior to joining the firm, Jodie served as an assistant director with a large national non-profit health care advocacy organization, deputy chief of staff for U.S. Representative Thomas M. Barrett (D-WI), executive assistant for U.S. Representatives Lynn Rivers (D-MI) and Peter Barca (D-WI), and district director/legislative assistant for Wisconsin State Senator Barbara Ulichny.



Laura H. Phillips, Partner, Drinker Biddle

(202) 842-8891

Laura.Phillips@dbr.com

Laura H. Phillips is chair of the firm's Government and Regulatory Affairs Group, which houses the District Policy Group. She has been a leader in the telecommunications market for more than 25 years. Laura counsels wireless and wired technology entrepreneurs on issues related to the development of new technologies, including the development of spectrum auctions, network interconnection, access, universal service and Voice over Internet Protocol (VoIP). She also represents clients in regulatory matters stemming from communications service convergence, the growth of wireless services and the internet.