

# Amazon, Berkshire Hathaway and JP Morgan Name CEO in New Venture that Could Change Health Care for Employers

## Labor & Employment Law Update

By Suzannah Wilson Overholt on June 20, 2018

As promised earlier this year, we have an update regarding the new health care company being formed by Amazon, Berkshire Hathaway and JPMorgan Chase, which still lacks an official name. In February, Warren Buffett announced that a CEO would be named within a year. The group later announced that a search was underway, and then, in early June, announced that a new CEO had been identified and would be named in two weeks.

True to their promise, on June 20, 2018, the triumvirate of Warren Buffett (Berkshire Hathaway), Jeff Bezos (Amazon) and Jamie Dimon (JPMorgan Chase) announced that Dr. Atul Gawande will serve as CEO of the new company starting July 9. Dr. Gawande currently practices general and endocrine surgery at Brigham and Women's Hospital and is a professor at Harvard's School of Public Health and Medical School. He is also the founding executive director of Ariadne Labs, which, according to the Ariadne Labs website, is a joint center between Brigham and Women's Hospital and Harvard's School of Public Health. Its mission is to "create scalable health care solutions that deliver better care at the most critical moments in people's lives, everywhere." The web site indicates that Dr. Gawande is also chairman of Lifebox, "a nonprofit reducing surgical deaths globally." CNBC reported that Dr. Gawande will not be giving up his positions at Harvard or Brigham and Women's Hospital and is transitioning to the position of chairman of Ariadne Labs.

When initially announced in January, the primary purpose of the new company was portrayed as an effort to reduce health care costs for employers. The appointment of Dr. Gawande adds a bit more insight into how that goal may be achieved. According to *Bloomberg*, the selection of Dr. Gawande has led analysts to conclude that the new company will take an expansive look at how to approach fixing health care. In a letter to his shareholders, Dimon indicated that the new company's agenda will include aligning incentives among doctors, insurers and patients; reducing fraud and waste; giving employees more access to telemedicine and better wellness programs; and figuring out why so much

money is spent on end-of-life care. Some have been critical of his statements, indicating that they are focused on the wrong issues.

The new company will be headquartered in Boston, most likely because that is where Dr. Gawande is located. Bloomberg reported that additional details such as the size, budget and authority of the new company are still not available. However, it will be “an independent entity that is free from profit-making incentives and constraints.” We will continue to monitor this and provide updates.

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