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Section Six: Public Policy

Promoting policies to address societal challenges

On the Web

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Our smarter planet strategy is resonating powerfully, especially among government leaders—helping them to prepare their societies for a new century.

IBM works closely with governments, regulators and standard setters at global and local levels on key economic, governmental and societal issues, and prioritizes policy approaches that can foster innovation, contribute to a strong global economy and address key global challenges. Our public policy priorities for 2008 were:

- › Global Economic Integration
(e.g. Market Access and Supply Chain Security)
- › Global Workforce Flexibility
- › Finance, Energy and Environmental Priorities
- › Innovation Leadership Initiatives
- › Policy-Driven Growth Opportunities
- › Export Compliance
- › Intellectual Property and Open Standards
- › Government Relations and Market Support

Some important initiatives in 2008 are described on these three pages.

Privacy and Security: New Policies and Protections

PrimeLife—Bringing sustainable privacy and identity management to future Internet services:

This three-year research project, begun in March 2008, is being undertaken by the PrimeLife Consortium and funded by the European Commission. Chaired by IBM, the Consortium includes several leading universities, companies and technology organizations in the U.S. and Europe. The goal is to address how to protect privacy and personal information in emerging applications, focusing on such areas as human computer interfaces, configurable policy languages, virtual communities and Web service federations. The Consortium will also work with Open Source Communities and standardization bodies to promote the widespread adoption of privacy technology.

With so much data being exchanged on a daily basis and cybersecurity an increasingly critical concern for governments across the globe, privacy and security issues remain an important public policy and governance focus for IBM. We continue to engage with the private, public and civil sectors to develop new thinking and practices to help meet society's expectations of privacy, data protection and cybersecurity—and to set exemplary policies and practices within our enterprise.

Our 2008 priorities as they relate to privacy and security included:

- › **OPERATING AS AN EFFICIENT AND TRUSTED** globally integrated enterprise—with a globally consistent approach to data protection and strategic engagement in public policy discussions underway on four continents.
- › **ENABLING THE PRIVACY AND SECURITY** of emerging technologies such as cloud computing and social software.
- › **RESPONDING TO MARKET OPPORTUNITIES** related to security and data protection for our clients and society at large.

Healthcare Reform for the 21st Century: An Agenda for Mutual Responsibility

“Currently, very few practices in the U.S. have a forum for quality improvement to ensure employees and insurance companies are getting their money’s worth. The “medical home” model goes a long way toward creating a system that gives every patient access to quality primary care. It has already saved North Carolina \$150 million a year in healthcare costs. But medical home requires doctors who are committed to providing comprehensive, high-quality primary care, and the pipeline for primary care physicians is drying up. Medical students are simply not choosing family medicine and general internal medicine, and the distribution of pediatricians leaves many rural and inner city populations without access to optimal child health services. If the industry—and major employers—feel strongly enough about the primary care option and changing the healthcare system in this country, they may need to get involved in transforming our medical education system.”

David T. Tayloe, Jr., MD, FAAP,
2008–2009 President,
American Academy of Pediatrics

“Recently we formed a Patient-Centered Primary Care Collaborative, joining with major employers and health plans to promote the patient-centered ‘medical home’ model nationwide. This model, which focuses on wellness and prevention as well as chronic and acute care, is based on the principle that patient care is better when individuals have a sustained and localized relationship with their healthcare providers. ACP and the members of the Collaborative believe that the ‘medical home’ concept holds great promise as a way to transform the U.S. healthcare system. Health information technology can play a major role in making the system more efficient—providing access to expert knowledge at the point of care so providers get the right information, at the right place, and at the right time.”

Dr. John Tooker, Executive Vice
President and Chief Executive Officer,
American College of Physicians (ACP)

For some time now, IBM has been calling for a “smart” healthcare system that would help healthcare research become more informed and intelligent, and providers to deliver safer, more efficient and individualized care.

In recognition of our company’s leadership in healthcare reform, the U.S. House of Representatives Committee on Ways and Means invited IBM Senior Vice President of Human Resources Randy MacDonald to participate in a panel discussion of healthcare reform on April 29, 2009. MacDonald also serves as chairman of the HR Policy Association, a group of chief human resource officers from more than 260 U.S. corporations.

IBM believes a “smart” healthcare system will vastly improve healthcare decisions and deliver greater efficiency by eliminating waste and needless administrative cost. MacDonald told the committee that IBM supports healthcare reform that focuses on mutual responsibility—among patients, providers, insurers, governments and employers.

IBM recommends a national healthcare agenda that meets seven key objectives:

- › **STRENGTHENS OUR VOLUNTARY EMPLOYER-BASED SYSTEM** with reforms that contain skyrocketing costs and improve health outcomes and accountability.
- › **ADOPTS A COMPREHENSIVE NATIONAL REFORM AGENDA** avoiding a potential patchwork of state-by-state solutions that would prove unwieldy for national employers.
- › **IMPROVES WELLNESS, PREVENTION AND PRIMARY CARE** incenting providers to not simply treat the sick but to keep patients healthy.
- › **CREATES A COMPETITIVE AND ACCOUNTABLE MARKETPLACE** by providing improved consumer information and meaningful choice.
- › **CONTROLS COSTS AND REDUCES COST-SHIFTING** restructuring public programs away from traditional “fee-for-service” reimbursements.
- › **PROVIDES ALL AMERICANS WITH HEALTH INSURANCE** using solutions that account for the different circumstances within that population.
- › **PROMOTES ADOPTION OF HEALTH INFORMATION TECHNOLOGY.** Broader adoptions will result in safer and more convenient care for patients, at lower administrative costs.

The company also supports an initiative known as the “Patient-Centered Medical Home” (PCMH), a model based on the concept of “comprehensive primary care”, which focuses on strengthening the primary care/physician relationship to enhance communication and improve care across the healthcare delivery system. Giving patients a “medical home” is meant to fix some of the principal shortcomings of how healthcare is delivered and paid for in the U.S. Insurers now typically reimburse doctors based on how many tests or procedures they perform, instead of how effective their care is.

Intellectual Property Reforms: Providing Additional Transparency and Openness to the Patent System

“Just as patents can foster innovation, they can also hinder it. They can be erroneously awarded, providing unnecessary protection that creates a drag on the economy with no upside. Patent protection, even if properly granted, may be too strong, covering too wide a range of technologies and stifling follow-on innovations that use the invention as a building block. As technology evolves, patent law must accommodate new areas of innovation and new industries not encountered before, including those resulting from cross-industry collaboration and comprised of a multitude of discrete technologies. The major legal institutions—Congress, the courts, and the United States Patent and Trademark Office—are trying to meet the challenge of maintaining a healthy, beneficial patent system. Private entities that use the system also need to assist in the patent examination process by drafting high-quality applications and fully observing their duties to disclose relevant information. They should also take a proactive role in patent reform efforts—providing ideas, information and support to all three government branches.”

Christopher A. Cotropia, Professor of Law, Intellectual Property Institute, University of Richmond School of Law

As prolific creators of intellectual property, we believe in strong global intellectual property systems that foster innovation. To be effective, such systems should strike the appropriate balance between protecting the economic rights of inventors and the sharing of information that advances the progress of science. The solutions we envision for a smarter planet demand an intelligent infrastructure based on open technology standards. Only when information can move seamlessly within and between these systems can these solutions actually work smarter.

An intelligent infrastructure requires balanced and versatile intellectual property and open standards policies that can make systems, processes and infrastructures more efficient, more productive and more responsive. To help achieve these goals and stimulate innovation and economic growth, IBM has extended its model for balancing proprietary invention with shared IP by dramatically increasing the number of inventions and technical contributions it publishes and makes freely available to others—rather than seeking patent protection for those ideas. IBM plans to increase by 50 percent, to more than 3,000 annually, its publications of inventions and technical contributions.

Publication of technological information protects inventors from allegations of infringement by placing the intellectual property into the body of prior art. It also improves patent quality, since the technical information can be cited by patent offices in limiting the scope of other patent applications.

The company is also contributing the advanced statistical and analytical capabilities of IBM Research to a collaborative project that is helping to develop an empirical measure of patent quality. This Patent Quality Index can address the issue of low-quality patents—those with uncertain scope or dubious claims to technological innovations—and provide additional transparency to the patent system. The number of patents being filed has increased substantially in recent years, adding to historic backlogs, creating uncertainty around intellectual property rights, and spawning increased speculation and litigation—issues that can impede inventors, entrepreneurs and companies of all sizes.