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Medicare Chief Joins Firm With Health Clients

By ROBERT PEAR

WASHINGTON, Dec. 18 — Thomas A. Scully, the official who ran Medicare and Medicaid for the last two and a half years, announced on Thursday that he was joining Alston & Bird, a law firm based in Atlanta that represents many hospitals, drug manufacturers and other companies in the health care industry.

Mr. Scully resigned on Monday as administrator of the Centers for Medicare and Medicaid Services, part of the Health and Human Services Department that provides health insurance to more than 75 million people.

The managing partner of Alston & Bird, Ben F. Johnson III, said that as an architect of the new Medicare law, Mr. Scully would add "an unparalleled perspective" to the health care practice of the firm. Alston & Bird has many clients that will be affected by the law. The firm is registered to lobby Congress for Johnson & Johnson and the National Association for Home Care.

Mr. Scully was the object of a bidding war by law firms and equity investment concerns. Mr. Johnson said Mr. Scully would be allowed to work for an investment firm while a partner at Alston & Bird.

In May, before either house of Congress had passed the Medicare bill, Health and Human Services Secretary Tommy G. Thompson approved a waiver to exempt Mr. Scully from certain parts of the federal ethics law. The waiver let him negotiate with potential employers while he helped write the Medicare law.

Mr. Johnson said he discussed the possibility that Mr. Scully might join the firm on Sept. 15, when the two had dinner in Atlanta. They did not discuss the legislation or "any matter pending" before the Medicare agency, Mr. Johnson said.

A summary of Health and Human Services Department ethics rules says employees who have begun seeking private work must immediately recuse themselves from "any official matter" that involves the prospective employer.