

Health

Lobbyists swarm capitol to influence health reform

Tally of 4,525 Means Eight Lobbyists for Each Member of Congress

By Joe Eaton  M.B. Pell  4:01 am, February 24, 2010 Updated: 12:19 pm, May 19, 2014

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When President Barack Obama meets with Congressional leadership on Thursday to jump start stalled health reform efforts, industry lobbyists will not be in the room. But if the successful 2009 lobbying effort to influence health reform legislation is any indication, special interests will be well represented.



Supreme Court will hear challenge to health reform law

By Joe Eaton November 14, 2011

A Center for Public Integrity analysis of Senate lobbying disclosure forms shows that more than 1,750 companies and organizations hired about 4,525 lobbyists — eight for each member of Congress — to influence health reform bills in 2009.

The list of companies and organizations that worked to put their imprint on legislation is diverse, ranging from health care interests and advocacy groups to giant corporations, small businesses, American Indian tribes, religious groups, and universities.

Among industries, 207 hospitals lined up to lobby, followed by 105 insurance companies and 85 manufacturing companies. Trade, advocacy, and professional organizations trumped them all with 745 registered groups that lobbied on health reform bills, illustrating the common Washington strategy of special interests banding together to pool money and increase their influence.

Among the most visible organizations in the halls of Congress, AARP deployed 56 in-house lobbyists and two from outside firms to work the issue on behalf of its members. The pro-business U.S. Chamber of Commerce deployed 47 lobbyists, all but eight from outside firms. The corporate titans who direct the Business Roundtable deployed 40, five from outside firms, and the American Medical Association had 33, 11 from outside firms. The data also revealed that the roster of groups trying to mold legislation went far beyond corporate and health care interests to include such unlikely entities as Americans for the Arts, and the International Association of Amusement Parks and Attractions.

Despite the recession, 2009 was a boom year for influence peddling overall with business and advocacy groups shelling out \$3.47 billion for lobbyists to represent them on all kinds of issues, according to the nonprofit group Center for Responsive Politics.

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Much of that money went to fight the health reform battle, according to Center for Public Integrity data. Businesses and organizations that lobbied on health reform spent more than \$1.2 billion on their overall lobby efforts. The exact amount they spent on health reform is difficult to quantify because most health care lobbyists also worked on other issues, and lobby disclosure rules do not require businesses to report how much they paid on each issue.

From an industry perspective, it was money well spent. A close look at the health reform bills that passed the House and Senate show lobbyists were apparently effective at blocking provisions like a robust government-run insurance program, and blunting the effect of cost-cutting measures on health care companies.

An Effective Group

The lobbying details come as President Obama prepares to meet with Republicans on health reform. Obama's own blueprint, released on Monday, combines elements of both the House and Senate bills. To pass, any bill would need to attract Republican support or use budget reconciliation rules to avoid filibuster in the Senate.

Some Republicans argue that the current health reform bills need to be scrapped. But many powerful health industry lobbies, which would profit from expanded health insurance coverage, disagree.

"Clearly we have hit a bump in the road, but we think it is no less important to get something done," said Cecil Wilson, president-elect of the American Medical Association (AMA), which spent \$20 million overall in 2009 lobbying Congress on behalf of doctors. "There is a lot of good health system reform in both of these pieces of legislation that we can build on if we could just get around the partisan bickering."

The AMA succeeded in molding House and Senate bills to make sure cuts would not come out of doctors' pockets, Wilson said. The AMA helped kill a \$300 yearly fee for doctors who participate in Medicare or Medicaid, a tax on cosmetic surgery, five percent Medicare payment cuts to the top 10 percent of Medicare billers, and Medicare payment cuts for primary care physicians. Each was included in the initial Senate bill, but struck from the final Senate version.

Despite the victories, the group isn't ready to pledge support for health reform bills. Wilson said the AMA will not endorse any legislation unless Congress scraps mandated payment cuts of more than \$200 billion over 10 years in the government's Medicare program for the elderly. The cuts are part of Congressional action in 1997 to rein in Medicare program costs, but have never gone into effect. Instead, Congress has repeatedly blocked the cuts, now set to take effect on March 1.

"We cannot support health system reform without that permanent fix," Wilson said.

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Hospitals, insurers, pharmaceutical manufacturers and advocacy groups are also withholding final support. Most pledged support to health care reform in principle while working privately through lobbyists to protect their industries.

Health Lobbyists Doubled by End of 2009

The number of lobbyists working Congress on health reform more than doubled throughout 2009 from more than 1,400 in the first three months of the year to nearly 3,700 in the final quarter, when attention focused on the Senate bill.

“They cut it. They chopped it. They reconstructed it,” Julian Zelizer, a Princeton University professor of public affairs, said about health reform lobbying. “They didn’t bury it. I don’t think they wanted to.”

The lack of serious cost controls in House and Senate bills are a direct result of health industry lobbying efforts, Zelizer said.

The American Hospital Association, for example, supports expanding coverage to the House bill’s level of 96 percent of legal residents, but it lobbied against expanding Medicaid eligibility to levels prescribed in the House bill, which would hinder hospital profits. It is also lobbying to revise or delay Medicare payment cuts and patient readmission penalties.

The hospital group, along with the Chamber of Commerce and Pharmaceutical Research and Manufacturers of America, declined the Center’s request for an on-the-record interview about their lobby efforts. In a statement, the American Hospital Association said members’ concerns “need to be addressed in a conference report. With the White House summit happening ... we are waiting to see how that plays out.”

From Campbell Soup to Dunkin’ Donuts

The diversity of interests that lobbied on reform legislation shows how deeply health care is entrenched in the U.S. economy. Health care costs currently consume 16 percent of the nation’s economic output.

Kelly Johnston, vice president for government affairs at Campbell Soup, said the company channeled its lobbying efforts through groups like the American Benefits Council and the National Association of Manufacturers. The public insurance option was Campbell Soup’s biggest target. Johnson said the company feared a public plan would lure small and medium sized businesses to dump their private insurance plans, resulting in higher rates for larger companies.

“We want to create more incentive, not less incentive, for smaller businesses to get into private insurance,” he said.

According to Senate lobby documents, Dunkin’ Donuts lobbied against a proposed soda tax to help fund health care reform. The Cigar Association of

America's president, Norman Sharp, said he monitored Congress to ensure that a tobacco tax would not fund health insurance expansion. Other interests are harder to explain; disclosure documents show the League of American Orchestras, the National Rifle Association, and the Golf Course Superintendents Association of America also lobbied on health reform.

Andy Finch, co-director of government affairs at the Association of Art Museum Directors, said several dozen arts centers asked the Senate leadership to add "creative arts therapists ... to the definition of mental health service professionals."

The true amount industry spent to influence health reform is difficult to quantify. Lobbying disclosure documents do not generally include money spent on advertising, commissioning studies, or funding advocacy groups.

"Most of the spending on advocacy in Washington is stealthy," said James Thurber, head of the Center for Presidential Studies at American University. "It is done by people who have not registered as lobbyists."

The result, Thurber said, is a health reform push that is barely alive, even in its watered-down form. "It's in critical condition from a million cuts," he said.

Making the Final Push

Since legislative efforts fell apart in January, health lobbyists say they have been stuck in a holding pattern, trying to discern the next moves by Congress and the administration. But it's clear lobbyists are still working Congress to get their talking points into the correct hands.

"You talk to people ... who may be involved directly or indirectly," said Cara Bachenheimer, senior vice president for government relations at Invacare Corp., the largest manufacturer of medical equipment, such as wheelchairs and respiratory nebulizers. "You do what every lobbyist does — you collect information and relay your position."

The medical equipment industry doesn't like either the House or Senate bill, as both include a \$20 billion medical device tax. "We don't believe we are going to sell more products as a result of health reform," Bachenheimer said.

Many veteran observers suspect that the status quo may be the end result of the 2009 health reform lobby and legislative flurry.

Industries and organizations are backing off on compromises they made to support health reform for fear that their losses may carry over into a stripped-down version of health reform. The February resignation of W.J. "Billy" Tauzin as head of the Pharmaceutical Research and Manufacturers of America adds to Democratic concerns that key supporters of Obama's health reform agenda may ditch agreements they made with the administration.

Labor unions seem to be the first ready to vacate the tent of would-be reform supporters. After compromising over the tax on high-cost employer insurance plans, which unions originally opposed, several unions have pulled back over concerns that Congress may hold them to the agreement in a less comprehensive bill.

“The UAW would strongly oppose any stripped down health care bill that included a tax on health care benefits,” Alan Reuther, legislative affairs director at United Automobile, Aerospace and Agricultural Implement Workers of America, wrote in an e-mail response to the Center.

Regardless of how the endgame on health reform plays out, experts say it is clear that the mass of lobbyists unleashed to shape Congressional efforts will continue to call many of the shots.

James Thurber of American University, for one, doesn't expect Obama's health summit to relieve the deadlock in Congress over health reform. Health care interests aren't invited on Thursday when Obama makes his pitch to congressional leaders, but Thurber said by then much of their work will be done. “They [lobbyists] will not be in the room, but their surrogates will be,” he said.

Aaron Mehta, Dan Ettinger, Naseem Miller, and Caitlin Ginley contributed to this report.

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