

Lobbying frenzy in run-up to US health care exchange launch

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24 September 2013

The health care industry has stepped up its lobbying efforts in the run-up to the October 1 launch of the insurance exchanges set up under the Obama administration's health care legislation. Employers, insurers, drug companies, and hospital chains that once opposed the Affordable Care Act are staging a last-ditch effort to shape it even more in line with their financial interests.

Included among the lobbyists and "strategic advisers" to the industry are not a few former Obama administration officials and Congressional staffers, who have carved out lucrative careers for themselves on K Street, the lobbying center of the nation's capital. This "revolving door" between government and big business related to the ACA is another indication of the pro-corporate character of the Obama-backed health care bill.

The health care industry spent more money on lobbying last year than any other sector of the economy—more than \$243 million, according to the Center for Responsive Politics. This beat out the \$242 million spent in 2012 by financial, insurance and real estate companies. A Reuters review found that more than 500 companies, business groups, consumer advocates, unions and other groups lobbied Congress on the ACA during the second quarter of this year alone.

The *Washington Post* cites a "top lobbyist" saying that big pieces of legislation like the Affordable Care Act require "refinements or improvements or corrections." The Centers for Medicare and Medicaid Services, which is still at work revising regulations of the health care bill, is the main target of lobbying efforts.

Since the health care bill's passage in March 2010, the White House has granted a host of waivers to

employers, demonstrating its "business friendly" approach. The Obama administration agreed in July to delay by one year the ACA requirement that businesses with over 50 employees provide insurance to their full-time workers or pay a penalty. Last month, the president also granted a one-year grace period for insurers to adhere to limits on out-of-pocket health care costs. Large employers would like to see both of these waivers become permanent.

Companies are lobbying feverishly to change the requirement that they provide insurance to employees working more than 30 hours a week. Last week, about 325 members of the International Franchise Association—including companies such as Dunkin' Donuts, Lawn Doctor, and Jiffy Lube owner-operators—swarmed into Washington in their annual public affairs "fly-in," lobbying members of Congress and their staffs to support legislation to redefine full-time work as 40 hours a week.

The National Restaurant Association has met with Treasury and Labor Department officials to urge that ACA regulations related to working hours take into account seasonal and other fluctuations when determining whether these businesses exceed the 50-employee threshold requiring them to provide insurance coverage to their workers.

Hospitals and medical device producers would like to delay or repeal provisions of the ACA agreed to in compromise negotiations with the Obama administration leading up to the bill's passage. The hospital lobby is pushing to delay cuts to payments they will receive from the government to care for low-income and uninsured patients. A group of businesses also wants to repeal the 2.3 percent excise tax to be levied on medical devices as part of funding for the legislation. A measure that would do this has 260

sponsors in the US House, and has been backed by a nonbinding Senate resolution.

Former Obama administration officials who helped write the ACA are providing key aid to the health care industry's lobbying efforts. According to the *Hill*, more than 30 former administration officials, congressional representatives and staffers who worked on the health care legislation are now working on K Street.

Former Clinton administration adviser Yvette Fontenot, who worked on crafting the ACA as a Senate staffer and then moved to the Obama White House and Department of Health and Human Services (HHS), is now a partner at "boutique" lobbying firm Avenue Solutions. Her clients include insurer Blue Cross and Blue Shield Association and prescription benefits manager Express Scripts.

Dr. Dora Hughes, who spent nearly four years as counselor to HHS Secretary Kathleen Sibelius, now works for Sidley Austin as a "strategic adviser." The corporate law firm, with annual revenues topping \$1 billion, represents insurers, pharmaceuticals, device makers and other health care-related businesses.

Liz Fowler helped draft the ACA as the chief health counsel for the Senate Finance Committee and went on to join the Obama administration. The one-time executive with insurer WellPoint is now in charge of global health policy for Johnson & Johnson. The medical equipment and drug manufacturer stands to profit handsomely from the health care overhaul.

Democratic lawmakers who supported the health care legislation have also moved on to work in the industry. Elizabeth Engel, deputy assistant health secretary under Secretary Sebelius, now advises health care clients for Washington DC-based communications consulting firm Glover Park Group. Democrat Earl Pomeroy, former congressman from North Dakota, supported the ACA. After losing his seat he went to work as an attorney representing health care clients for Alston & Bird, Atlanta's largest law firm.

This revolving door between the White House and Capital Hill and the health care industry and lobby will continue long after implementation of the ACA on January 1, 2014. The *Post* quotes Scott DeFife, National Restaurant Association executive vice president for government and policy affairs: "The implementation of the Affordable Care Act is a three-to seven-year process. We've been working at this for a

couple of years, and we're going to continue working on it."



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