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Turn Up the Heat on the Insurance Industry

It is time for health care reformers to turn up the heat on the major obstacle to Congress passing a good policy -- the private insurance industry.

Few Americans know the names of the nation's largest health insurance companies or their CEOs. That has to change, quickly.

The political muscle of the insurance industry is the major reason that seven conservative Democratic Senators -- led by **Max Baucus** (Montana) and including **Blanche Lincoln** (Arkansas), **Kent Conrad** (North Dakota), **Jeff Bingaman** (New Mexico), **Ben Nelson** (Nebraska), **Mary Landrieu** (Louisiana), and **Arlen Specter** (Pennsylvania) -- are blocking President Obama's proposal for a public option to compete with the private insurance companies.

Here is a list of the country's largest health insurance companies, according to *Fortune* magazine. They are: **United Health Care Group**, **WellPoint**, **Aetna**, **Humana**, **Cigna**, **HealthNet**, **Coventry Health Care**, **WellCare Health Plans**, **Universal America**, **Amerigroup**, **Centene**, **Molina Healthcare**, **Medical Mutual of Ohio**, and **HealthSpring**.

Anyone can click on each corporation's website and find the names and affiliations of the companies' boards of directors, including their CEOs, as well as the addresses of their headquarters -- in case anyone is interested in organizing a protest rally. Anyone can go to the Center for Responsive Politics website and find out how much each company's PAC and employees spend on influence-peddling, and which members of Congress received the industry's largesse. Wait a few paragraphs and we'll start naming names.

As Obama recently said in his weekly radio and YouTube address: "Every time we come close to passing health insurance reform, the special interests fight back with everything they've got. They use their influence. They use their political allies to scare and mislead the American people. They start running ads. This is what they always do." He said that the current health care system "works better for the insurance industry than it does for the American people." We need, he insisted, to "pass health insurance reform that finally holds the insurance companies accountable."

The right-wing fanatics who are disrupting the town meetings are a diversion. These Limbaugh lunatics would never vote for Baucus or any other conservative Democrats, whether they support Obama's plan or not. But by creating a ruckus, lying about Obama's plan (calling it "socialism" and warning that it would create "death panels"), and getting more media attention than they deserve, these Republican extremists are doing the insurance industry's dirty work. In fact, there's evidence that the insurance industry is funding some of these right-wing groups to cause chaos.

In a recent cover story, *Business Week* declared that the insurance industry has "already won" the health reform battle, but that assessment is premature. The majority of Americans want health care reform and don't trust the private insurance industry.

President Obama, and the major grassroots groups that are pushing for reform -- including faith-based organizations, unions, community groups, netroots groups like MoveOn, and Organizing for America, the organization formed by Obama's campaign volunteers -- can still win the fight if they focus public attention on the insurance industry and their lackeys in Congress. And George Lakoff, the well-known linguist and political advisor, has provided reformers with a new way to frame the debate to put the industry and the Baucus Caucus on the defensive.

So let's pay attention to the health insurance industry behind the curtain.

This year alone, the industry has spent over \$34 million to hire 923 lobbyists to influence Congress, according to the Center for Responsive Politics. The industry has also spent almost \$16 million in campaign contributions in the past two years.

The industry's trade association, called America's Health Insurance Plans, is one of the country's most powerful lobby groups, representing almost 1,300 corporations. Although health insurance companies compete with each other for customers, they work together -- through this lobby group -- when it comes to resisting government rules that require them to be more efficient and socially responsible. This year alone, America's Health Insurance Plans has already spent \$3.9 million in lobbying, according to the Center for Responsive Politics.

Its Washington, D.C. headquarters is at 601 Pennsylvania Avenue, NW, South Building Suite 500. Its board is comprised of the CEOs of the largest health insurance corporations.

During her campaign for president, then-Senator Hillary Clinton accurately observed that insurance companies "spend tens of billions of dollars a year figuring out how not to cover people" and "how to cherry-pick the healthiest persons, and leave everyone else out in the cold."

What does the industry want? The big health insurance companies actually want the federal government to require every American to have health insurance. That would expand its customer base. The industry would also like the government to provide subsidies for people and families who can't afford insurance. To get that, the industry is willing to live with one of Obama's key selling points -- a ban on insurance industry discrimination against sick people, especially those with "pre-existing" conditions.

What do they object to? What the insurance companies *don't* want is another key component of Obama's plan -- a "public option" that would compete with them for customers and provide Americans with more choices. A public option would provide insurance for those who don't get it from employers or can't afford private premiums -- similar to the current Medicare program for seniors. The high cost of U.S. health care is due in large measure to the outrageous greed and costly inefficiencies of the insurance industry that requires so much paperwork that its bloated administrative costs push up the cost of premiums, compared with the much lower administrative costs of Medicare. By competing with the private insurance companies, a public option would keep them honest.

Not surprisingly, the health insurance industry has been exercising its political muscle to thwart a public option. Not a single Senate Republican supports a public option. But Obama doesn't need any Republican votes if he can get all 60 Senate Democrats, and most Democrats in the House, to support his plan.

The insurance industry knows that, too. That's why, according to a recent report by the Center for Responsive Politics, and a recent article in the *Washington Post*, the industry has focused much of its campaign contributions -- America's version of legalized bribery -- on the conservative Democrats in Congress known as the Blue Dogs.

The industry has been particularly generous to Baucus, the Montana Democrat who chairs the Senate Finance Committee that is drafting a version of the legislation. According to the *Washington Post*, Baucus "has emerged as a leading recipient of Senate campaign contributions from the hospitals, insurers and other medical interest groups hoping to shape the legislation to their advantage. Health-related companies and their employees gave Baucus's political committees nearly \$1.5 million in 2007 and 2008, when he began holding hearings and making preparations for this year's reform debate."

In 1993, when President Clinton proposed an overhaul of the health care system, the insurance industry was the visible opponent of reform, running the infamous "Harry and Louise" television ads that warned of a government takeover that would get between patients and their doctors. They used their political clout to derail any reform.

Today, the situation is much worse. Many more Americans (at least 47 million) have no health insurance, because many employers have stopped providing it for employees, because families can't afford the cost of premiums, or because insurance companies won't offer it to people with "pre-existing" health conditions. In addition, many more Americans who do have insurance discover that it doesn't cover many things they need and forces them to make costly out-of-pocket expenses. Not surprisingly, health care costs are the nation's number one cause of personal bankruptcies.

What would it mean to expose and target the health insurance industry?

Let's look, for example, at **WellPoint**, the nation's second-largest health insurance corporation. With a few clicks, you can discover that last year WellPoint had profits of \$2.5 billion. WellPoint's headquarters is located at 120 Monument Circle in Indianapolis. Its corporate phone number is (317)488-6000.

This year WellPoint has spent over \$2.4 million in lobbying, according to the Center for Responsive Politics. WellPoint's parent, Blue Cross/Blue Shield, has spent over \$9.5 million to lobby Congress. In the last two years, WellPoint's political action committee made \$1.8 million in campaign contributions to Republicans, Democrats, and other lobby groups, including \$3,900 to Baucus. In addition, WellPoint employees -- mostly its top executives, including CEO Angela Braly -- contributed over \$154,000 to Congressional candidates in the past two years.

The 17 members of the WellPoint board of directors have a web of corporate and political connections that supplements the company's campaign contributions and lobbying expenditures.

Angela Braly is WellPoint's CEO. She was paid \$4.2 million last year. Braly also serves on the board of America's Health Insurance Plans, the powerful lobby group.

Larry C. Glasscock, the prior CEO, still serves as chairman of WellPoint's board and is also a director of Sprint Nextel (the giant telecommunications corporation) and Zimmer Holdings (an Indiana-based manufacturer of orthopaedic products).

Susan Bayh is a former attorney with the giant Indianapolis-based drug company Eli Lilly & Company. She is also a director of Curis (a drug company), Dendreon (a biotechnology company), Dyax (a biopharmaceutical company), and Emmis (a media corporation that owns radio stations and magazines). In the last two years, according to the *Indianapolis Star*, she has earned over \$2 million serving on the boards of these health care corporations. She also happens to be the wife of Evan Bayh, the Democratic Senator from Indiana. Sen. Bayh recently told an Indiana newspaper that he is an "agnostic" regarding the public option. That means he's sitting on the fence, trying to decide which side he's on -- the insurance industry or the majority of people of Indiana.

Donald W. Riegle Jr is another WellPoint director with political connections. He is a former Democratic Senator from Michigan (1976-1995). Since 2001 he has been chairman of government relations for APCO Worldwide, a DC-based lobbying firm, and was also, until earlier this month, a director of Stillwater Mining Company, based in Montana, Baucus' home state.

William H. T. Bush, a WellPoint director since 2004, is chairman of the board of Bush-O'Donnell & Company, a St. Louis-based investment management firm. He is the younger brother of former President George H.W. Bush, and the uncle of former President George W. Bush.

William G. Mays is the CEO of Mays Chemical Company, based in Indianapolis. He is also on the board of Vectren, an energy company that covers Indiana and Ohio.

Ramiro Peru is CFO of Saint Corporation, a holding company of Swift Transportation Co., and previously CFO of Phelps Dodge, a mining company. Peru is also a director of Tucson Electric Power Co., and Unisource Energy Services, a utility based in Arizona.

Warren Jobe, like Peru, is on the boards of both WellPoint and Unisource. Until his 2001 retirement, Jobe's day job was senior VP of Southern Company, a huge Atlanta-based utility. He is also on the board of the Atlanta-based HomeBanc Corp. and

chairman of the board of trustees of Oglethorpe University.

William Ryan is CEO of Banknorth, a Massachusetts-based financial services company. He serves as the director of Blue Cross and Blue Shield of Maine, the Federal Home Loan Bank of Boston, and Maine Machine Products.

Victor S. Liss, retired CEO and now vice chairman) of Trans-Lux Corporation (an electronics company), also serves on the boards of BNC Financial Group, the Bank of Fairfield and Honey Hill Care Center (nursing care facility) and a trustee of Norwalk Hospital in Connecticut.

Jackie M. Ward sits on the boards of the Bank of America, SYSCO (a Houston-based food company), Flowers Foods, and Sanmina-SCI Corporation (a San Jose-based global electronics company). She served as CEO of Computer Generation Inc .

George A. Schaefer Jr., , retired last year as chairman of the board of Directors of Fifth Third Bancorp, based Cincinnati, Ohio. He sits on the board of Ashland, a chemical company based in Covington, Kentucky.

Sheila Burke, a professor at Harvard's Kennedy School of Government, who served in the George W. Bush administration and also sits on the board of the Chubb Corporation, one of the nation's largest property and casualty insurance companies.

John Zuccotti, is co-chairman of Brookfield Properties, a real estate firm based in Toronto, and senior counsel of Weil, Gotshal and Manges, a global corporate law firm based in New York City. He also sits on the board of Emigrant Savings Bank and the Dreyfus Investment Corporation.

Julie Hill (a California real estate entrepreneur), **Jane Pisano** (president of the Natural History Museum in Los Angeles and former executive of the University of Southern California), and **Lenox Baker, Jr.** (a cardiac and thoracic surgeon and president of Mid-Atlantic Cardiothoracic Surgeons, Ltd. in Norfolk, Virginia) also sit on the WellPoint board.

These individuals -- and their counterparts on the boards of the other major private health insurance companies -- are not evil people. Many serve on the boards of various charities and are civic leaders in their communities. But in their roles as board members of WellPoint, they serve the interests of the nation's second largest private health insurance company and thus against the interests of the majority of Americans who want and need health insurance reform. A few hundred people serve on the boards of the nation's largest health insurance companies. As President Obama noted, they, the industry they serve, and the politicians who do their bidding, need to be held accountable.