

Election 2008 — Campaign Contributions, Lobbying, and the U.S. Health Sector

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Aside from the war in Iraq, health care has been the most important issue for the U.S. public in the early phase of the 2008 presidential campaign, ranking higher than both immigration and the economy.^{1,2} Indeed, a majority of the U.S. population thinks that the federal government “should guarantee health insurance for all Americans,” particularly children.² Americans would be willing to pay higher taxes to make changes possible, although, like politicians, they disagree about whether participation in a national health care plan should be required and whether the government or private insurers would do a better job of providing coverage.²

What the next president of the United States does or does not advocate with regard to expanding coverage for the uninsured and reducing the costs of care may affect the health care system for years. Between January and June 2007 — the latter being about 16 months before the election — the presidential candidates raised more than \$265 million. This represents the fastest start to presidential fund-raising ever, according to the Center for Responsive Politics (www.opensecrets.org), a nonpartisan group that researches money in politics. The eventual Democratic and Republican nominees could each ultimately raise \$500 million or more — record amounts. So far, however, only a small percentage of the contributions — albeit millions of dollars — has come from people who are affiliated with the health sec-

tor or from political action committees (PACs) associated with the health sector.

Under the Bipartisan Campaign Reform Act, the contribution limit for an individual is \$2,300 per candidate per election; primary and general elections are considered separate elections. The Center for Responsive Politics analyzes campaign finance data reported to the Federal Election Commission and classifies contributions of \$200 or more from individual donors or PACs into 13 sectors; the health sector includes doctors,

drug companies, and hospitals, among other groups. For the first half of 2007, Democratic candidate Hillary Clinton, senator from New York and the leading fundraiser, collected \$63.1 million, of which \$1.7 million, or 2.7%, was from the health sector (see table). Senator Barack Obama of Illinois, the second-leading fundraiser among the Democratic candidates, collected \$58.9 million; \$1.2 million, or 2.1%, was from the health sector. Republican candidate Mitt Romney, the former governor of Massachusetts and

Fund-Raising by Presidential Candidates, January–June 2007.*

Candidate	Home State	Total Receipts	Health Sector Receipts
Democratic			
Hillary Clinton	New York	\$63,075,927	\$1,724,597
Barack Obama	Illinois	\$58,912,520	\$1,246,990
John Edwards	North Carolina	\$23,129,158	\$352,703
Bill Richardson	New Mexico	\$13,339,633	\$272,375
Christopher Dodd	Connecticut	\$12,076,091	\$223,400
Joseph Biden	Delaware	\$6,461,745	\$110,025
Dennis Kucinich	Ohio	\$1,117,566	\$11,836
Mike Gravel	Alaska	\$238,745	\$1,100
Republican			
Mitt Romney	Massachusetts	\$44,432,350	\$1,361,587
Rudolph Giuliani	New York	\$35,629,625	\$880,662
John McCain	Arizona	\$25,328,694	\$652,641
Sam Brownback	Kansas	\$3,321,965	\$56,155
Ron Paul	Texas	\$3,009,997	\$65,226
Tom Tancredo	Colorado	\$2,807,879	\$13,060
Duncan Hunter	California	\$1,352,941	\$8,600
Mike Huckabee	Arkansas	\$1,310,753	\$35,000
Tommy Thompson	Wisconsin	\$890,398	\$54,673

* Data are from the Center for Responsive Politics.

the leading Republican fundraiser, collected \$44.4 million, including \$1.4 million, or 3.1%, from the health sector. Rudolph Giuliani, the second-leading fundraiser among the Republican candidates and the former mayor of New York City, raised \$35.6 million, including nearly \$900,000, or 2.5%, from the health sector. Republican candidate Tommy Thompson of Wisconsin, who was the secretary of health and human services from 2001 to 2005, received the highest percentage of funds from the health sector — 6.1% — but he raised less than \$900,000 overall.

In total, Democratic presidential candidates raised a reported \$60 million more than Republican candidates in the first 6 months of the 2-year 2008 election cycle. The actual difference may be smaller, however: campaign contributions to Fred Thompson, the former Tennessee senator, were not reported because he had not officially entered the race. Democrats raised a total of \$3.9 million from the health sector, and

Republicans \$3.1 million, figures that are consistent with the Democrats' overall lead in the race for money.³

In the health care domain, Clinton and Romney are the best-known presidential candidates. As first lady in the 1990s, Clinton tried and failed to expand the federal role in health care, alienating drug companies, health insurers, and others in the health care industry with her proposals for universal health care and cost control. Subsequently, however, she has moderated many of her positions. Since she has been serving in the Senate, pharmaceutical companies and insurers have come to view her more favorably, and she has received more contributions from them.⁴ In her 2006 Senate reelection campaign, Clinton raised \$51.6 million — more than any other Senate candidate — including \$1.6 million from the health sector. Among Senate candidates, she ranked first in terms of contributions from doctors and other health care professionals, second in con-

tributions from hospitals and nursing homes, fourth in contributions from the insurance industry, and 20th in contributions from the drug industry. Former Governor Romney, for his part, last year signed far-reaching legislation for Massachusetts health care reform, which is considered a major accomplishment.

Traditionally, the financial sector — banks, insurance companies, and the real estate industry — has been the largest source of funds for presidential and congressional races, followed by lawyers and lobbyists and then ideological and single-issue groups, according to the Center for Responsive Politics. The financial sector contributed \$338.9 million to federal candidates in the 2004 election cycle (which included the presidential election) and \$251.8 million in the 2006 cycle (which was just congressional). In both cycles, the health sector ranked sixth among the 13 sectors. Health sector contributions — \$123.9 million in the 2004 cycle and \$98.6 million in the 2006

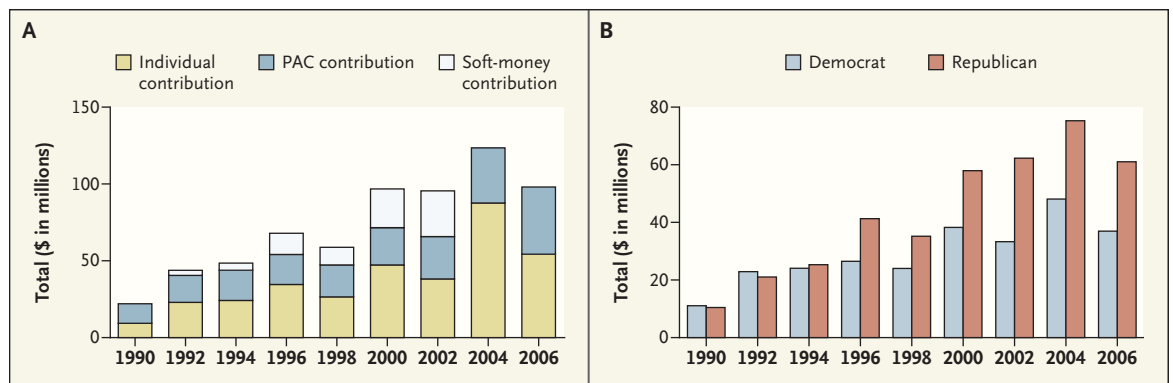


Figure 1. Contributions from the Health Sector to Federal Elections, 1990–2006.

“Soft-money” contributions to the national parties were first publicly disclosed in the 1992 election cycle. After the 2002 election, the Bipartisan Campaign Reform Act banned such contributions. Donations to state and local party committees are not included. In the 2004 election cycle, health care professionals contributed \$74.1 million to presidential and congressional candidates; pharmaceutical and health care product companies, \$18.0 million; hospitals and nursing homes, \$16.6 million; and health services and health maintenance organizations, \$7.9 million. In the 2006 cycle, health care professionals contributed \$53.9 million to congressional candidates; pharmaceutical and health care product companies, \$19.3 million; hospitals and nursing homes, \$13.7 million; and health services and health maintenance organizations, \$7.6 million. Data are from the Center for Responsive Politics.

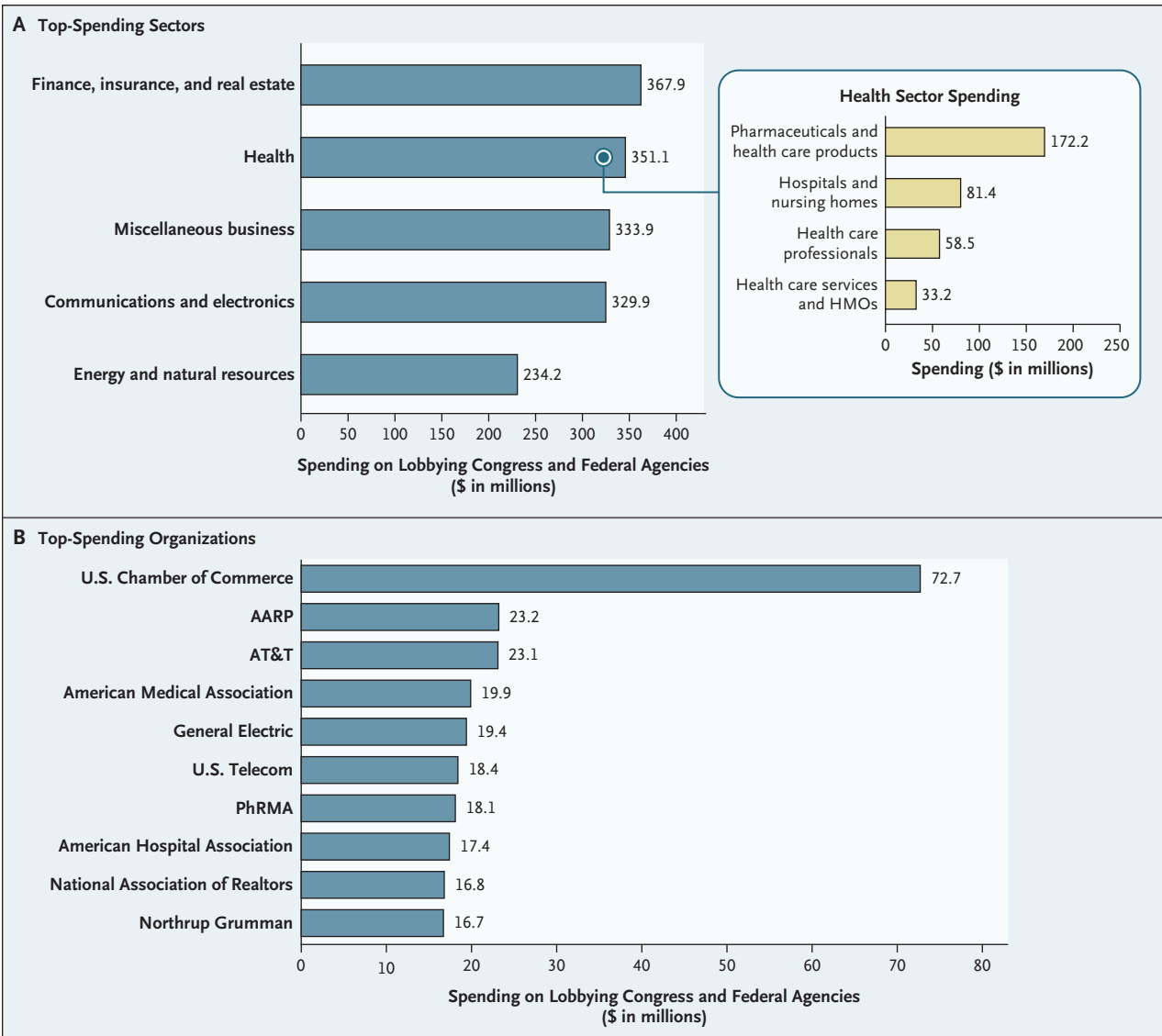


Figure 2. Top-Spending Sectors and Organizations Lobbying Congress and Federal Agencies in 2006.

Panel A shows the 5 top-spending sectors and a breakdown of most spending in the health sector. Panel B shows the 10 top-spending organizations. The total spent on lobbying of Congress and federal agencies was \$2.55 billion. Data are from the Center for Responsive Politics and include all data made available through April 2007. HMO denotes health maintenance organization, and PhRMA denotes Pharmaceutical Research and Manufacturers of America.

cycle — accounted for about 7% of all donations. The majority of health sector contributions were from individuals (see Figure 1); doctors and other health care professionals contributed the most. In the 2004 and 2006 cycles, more than three fifths of the health sector funds went to Republicans. This contrasts with

the beginning of the 2008 cycle, during which the fund-raising advantage went to the Democrats.

Like some other businesses, the health care industry spends substantially more money lobbying Congress and federal agencies than it does on elections (see Figure 2). In 2006, the health sector spent \$351.1 million to lobby the

federal government — an amount that accounted for 13.8% of all spending on lobbying and nearly equaled similar spending by the financial sector, which ranked first. Within the health sector, manufacturers of drugs, medical devices, and other health care products spent the most; Pharmaceutical Research and Manufac-

turers of America (PhRMA) spent \$18.1 million, Pfizer \$11.8 million, and Amgen \$10.2 million. The drug industry was followed by hospitals and nursing homes and then by organizations of health care professionals, such as the American Medical Association (AMA). Between 1998 and 2006, the AMA, the American Hospital Association, AARP (formerly the American Association of Retired Persons), and PhRMA spent, respectively, the second, fourth, sixth, and seventh most money on lobbying.

By contributing to political campaigns, individuals and PACs hope to influence both who gets

elected and what they do when they are in office. Currently, there is broad support for making “fundamental changes” in or “completely” rebuilding the health care system.² However, the details are complex, and as the discussion becomes specific, more people may prefer to maintain the status quo or to make incremental changes rather than start over. Although contributions from the health sector to presidential and other federal candidates may increase in the months ahead, they will continue to be dwarfed by the amount the sector spends on lobbying. There are no assurances that the election of a new president

will lead to major changes, although the potential for reform seems greater than it has for many years.

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1. Kaiser Health Tracking Poll. Election 2008. June 2007. (Accessed August 2, 2007, at http://www.kff.org/kaiserpolls/pomr062007pkg_v2.cfm.)
2. The New York Times/CBS News Poll. February 23–27, 2007. (Accessed August 2, 2007, at http://www.nytimes.com/ref/us/polls_index.html.)
3. Jacoby M, Mullins B. Democrats lead by \$100 million in money race. *Wall Street Journal*. July 23, 2007:A1.
4. Hernandez R, Pear R. Once an enemy, health industry warms to Clinton. *New York Times*. July 12, 2006:A1.

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