

## The Business & Trade Associations: America's Most Influential Interest Group Sector in the Health care Reform Debate

Jessica Fugate

### Abstract

The business sector is an interest group many theorists have argued is difficult in determining its fit within the interest group sphere. Unlike the typical interest group, whose main concern lies within its voluntary structure of citizens who seek to influence matters concerning public policy, the business group is structured in a hierarchical format with its expected function to maximize profits. Despite this conundrum, the businesses and trade associations remain two important sectors within the interest group sphere. In order to maximize profits, businesses must rely on the consumer to continue to purchase its products. As such, it is imperative that businesses and trade associations keep apprised of issues concerning the public as an unsatisfied consumer could lead to a decreased profit margin.

With that in mind, the health care reform debate is an issue that has largely impacted the two sectors in the recent months leading up to the House's passage of H. R. 3962. In a summation of my chosen 6 interest groups, Safeway, Wal-Mart Stores, PepsiCo Inc, NFIB, NACS, and U. S. Chamber of Commerce, I will determine the likelihood of each group's success in achieving its health care reform goal. To determine their likelihood of success, I have structured my research paper in terms of policies pursued and lobbying efforts utilized. I have chosen to begin with the most successful interest group in terms of influence and will conclude with the group most likely to fail.

## The Business & Trade Associations: America's Most Influential Interest Group Sector in the Health care Reform Debate

Business groups and trade associations are commonly perceived as the two most influential interest group sectors within the political arena as they represent 75% of the interest group population. However, despite this commonality within these sectors there exist interest groups with conflicting goals. The assumption is that since businesses and trade associations yield more power in terms of funding, they are better equipped to achieve their goals in terms of lobbying their agenda effectively. When you evaluate these two sectors in comparison to the other interest group sectors, you will see that businesses in fact have more to lose than to gain in their pursuit of health care reform. The business and trade associations are analyzed in terms of lobbying expenditures, inside and outside lobbying techniques, and overall ability to mobilize their members in support for or against health care reform. A common pattern throughout this paper is that the more money an interest group spends in lobbying, the less successful they are in terms of achieving their desired outcome with regards to health care reform.

### Safeway

The Safeway grocer we see today is the result of a successful merging of two businesses that took place in 1926, Skaggs and Safeway. Since the mid 1920s, Safeway has risen to become one of the most competitive grocery chains in the US with an estimated 1,775 stores. In terms of the health care debate, Safeway has been a leading force in pursuance of its agenda. In terms of policies, the grocery chain has been a vocal advocate in favor of health care reform. The company has even been credited with the creation of a well-designed health care model. In 2005, Safeway designed its own health care plan based on the primary example of the auto insurance industry. The company utilized free-market principles in an effort to dramatically cut health care costs by 48%. CEO Steven Burd credits his company's success to the utilization of insurance plans which offer employee incentive programs through premium discounts on behavior and company-subsidized gym memberships.<sup>1</sup> An employee who successfully passes all tests

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<sup>1</sup> Safeway's plan utilizes a provision in the 1996 Health Insurance Portability & Accountability Act that permits employers to differentiate premiums based on behaviors. The company's insurance premiums vary with each member's behavior and are voluntarily administered. Employees are tested in four areas: tobacco usage, healthy

administered stands to receive a discount equal to 20% off the premium. The program is designed as a reimbursement program, with the first \$1,000 paid by the employer, the second \$1,000 funded by the employee, and the remaining disbursed through an 80%-20% split of total out of pocket expenses.<sup>2</sup>

The success of Safeway can thus far be judged on its ability to act as a pivotal player within the health care debate. Its efforts of implementing its own reform plan stand to make its argument in favor of reform a legitimate stance. Its profuse exercise of outside lobbying tactics offers a good example of its efforts to promote reform in the health care debate. In addition to CEO Steven Burd's article in the *Wall Street Journal*, Safeway senior vice president, Ken Shachmut, also expressed the company's continued support of reform.<sup>3</sup> He spoke of their efforts on lobbying Capitol Hill for an increase in health insurance premium discounts from 20% to 30%.<sup>4</sup> Safeway continues to lobby Capitol Hill in support of provisions in the reform bill H. R. 3200. As recent as the third quarter of 2009 (July 1st-September 30<sup>th</sup>), Safeway has focused its lobbying efforts on amendments concerning the regulation of wellness programs and Medicare second payers. As an example of their success, Finance Committee members Sens. John Ensign (R) and Tom Carper (D), included in the Senate Finance Committee's health care reform bill amendments regarding wellness incentives aimed at reducing health care costs.<sup>5</sup> Through Safeway's own initiative, it managed to create a model for a plan that gained support from Republican members of Congress and national attention. This successful influential action is an achievement that the five remaining groups have failed to obtain. Safeway's efforts are a shining example of how effective lobbying can create an influential and effective piece of legislation.<sup>6</sup>

Maryland Senator Ben Cardin credits Safeway with the creation of a successful plan for health care reform.

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weight, blood pressure, and cholesterol levels. The outcome of these tests determines the premium in which the employee pays with the end result being placed on a scale between risky and rewarded behavior. Each test the employee passes results in a discount of the premium price and any monies not used will roll over into the next year.

<sup>2</sup> Senior vice president in charge of health initiatives discusses Safeway's health incentive plan.

<sup>3</sup> A reference to the publication of CEO Steven Burd's health care initiatives as listed in the above section.

<sup>4</sup> Ibid

<sup>5</sup> These amendments were directly based on Safeway's Health Measures Program. This bill passed the committee with a vote of 18-4, a surprisingly high support shown from the Republicans.

<sup>6</sup> Its total cost for inside lobbying for that quarter alone was \$560,000. Its expenses so far for the year 2009 have resulted in their highest on record since 1998, \$1,540,000. Lobbying information accessed through the Center for Responsive Politics. <<http://www.opensecrets.org>>.

Its innovative approach, called “Healthy Measures,” offers reduced premiums to employees based on four criteria: tobacco usage, healthy weight, blood pressure, and cholesterol levels. Obesity and smoking rates among Safeway employees are 30% lower than the national average and the company has been able to keep health care costs constant over a four-year period. That’s a real achievement and one that should be emulated nationally.<sup>7</sup>

Driven by their continued success, Safeway CEO created the Coalition for Advance Health Care Reform (CAHR) as a necessary outlet not only to publicize his message of reform, but also to encourage other businesses to follow Safeway’s lead. In an attempt to influence likeminded businesses, the pro-health care reform group of 60 companies and employers focused on key reform measures to increase membership and influence. The goals of CAHR are comprised of Safeway’s original goals for the program: a market-based system; universal coverage; a focus on individual responsibility; financial assistance for low-income families; incentives for healthy behavior; and equal tax treatment between businesses and individuals who purchase health care.<sup>8</sup> Its achievements in health care reform have proven influential, not only on Capitol Hill, but also on fellow businesses that are typically labeled anti-health care.

## Wal-Mart Stores

Sam Walton opened his first convenience store in Arkansas in 1962. Since then, his corporation has ballooned to become the world’s largest retailer employing approximately 1.4 million employees, the second largest employer to that of the U. S. federal government. Wal-Mart is the epitome of the all-American cost-conscious consumer who expects more products for lower pricing. However, the Wal-Mart brand is also synonymous with its stringent policies against climate change legislation and union organizing, as well as its deficient health care program.<sup>9</sup> In an effort to boost relations with employees and consumers, Wal-Mart created health care plans costing anywhere from \$5.00 to \$200 per month. In addition, Wal-Mart introduced the \$4.00 generic prescription drug-pricing program, which has saved customers an average of \$1.5

<sup>7</sup> An opinion expressed by Sen. Ben Cardin (D-MD). Benjamin Cardin, “Safeway emphasis on preventive care a model for nation.” (The Hill). September 9, 2009. Accessed on November 15, 2009. <<http://thehill.com>>.

<sup>8</sup> Opinion expressed by Safeway website section “People’s Practices. Accessed on November 15, 2009. <http://www.safeway.com> > and <<http://www.coalition4healthcare.org>>.

<sup>9</sup> Wal-Mart’s lack of effective health care prompted a lawsuit in Maryland requiring the retail giant to spend more money on health insurance. A federal judge later struck down the law.

billion since its inception, and in-store clinics, which provide medical care to low-income families.<sup>10</sup> So to some it came as no surprise when Wal-Mart announced its support of health care reform which is based on five principles:

The ready to work stance, the shared responsibility of funding, the creation of a health care system that eliminates financial strains, waste, and unnecessary costs, the necessity of proactive Americans to maintain an active lifestyle, the support of a health care system that not only places focus on treatment but also a plan that encourages individual responsibility, and lastly, Wal-Mart's promise to adapt their five principles.<sup>11</sup>

In a cooperative venture in support of health care reform, Wal-Mart joined forces with the Service Employees International Union (SEIU) and two other groups to form the Better Health Care Together Coalition. Their coalition supports what it defines as "four common sense principles":

Universal and affordable access to health care, individual responsibility, support for the individual in pursuit of a healthy lifestyle, better valued health care, and the joint contribution of businesses, individuals, and the government to finance a new health care system.<sup>12</sup>

Wal-Mart's outside lobbying efforts continued with the co-sponsoring of a joint health care forum web cast in September with the Bipartisan Policy Center entitled, "Common Sense Collaboration: Health Reform Perspectives from Employers and Employees." In addition, Joel Anderson, Vice President and Regional and General Manager of Wal-Mart in Iowa, wrote a column in the Des Moines *Register* entitled, "It's time for an all-in effort on health reform." The article was an example of Wal-Mart's effort to stress to Americans and consumers the importance of reform. The author extends his sympathy to the public as he "understands the struggle business and consumers face in obtaining affordable health care."<sup>13</sup>

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<sup>10</sup> Information corresponding to their stance in terms of health care reform found on <<http://www.walmartstores.com>>.

<sup>11</sup> Ibid

<sup>12</sup> Common Sense Principles accessed on November 12, 2009 on <<http://www.betterhealthcaretogether.org>>.

<sup>13</sup> Ibid

Although not as vocal as Safeway in terms of inside lobbying, Wal-Mart still places a strong second in terms of its efforts to lobby the president and Capitol Hill. In June of this year, Wal-Mart lent its voice in a letter to President Obama outlining its support for health care reform and the need of immediate action on the part of legislators to address the issue. Wal-Mart has also lobbied six specific issues relating to the health care reform bill entitled H. R. 3200 (America's Affordable Health Choices Act of 2009). Wal-Mart is another good example of how to achieve a successful outcome without excessive spending. However, this does not by any means indicate that Wal-Mart has spent its money efficiently. So far this year, it has spent a total of \$5,800,800 in lobbying expenses. While this figure is down from its 2008 total expenses of \$6,590,000, the largest on record since 1998, it does reflect Wal-Mart's successful pursuit of its goal.<sup>14</sup>

In lobbying for its policy goals, Wal-Mart has faced tough criticism from one of the largest trade associations, the U. S. Chamber of Commerce. According to an online *PBS News Hour* segment, the U. S. Chamber of Commerce stated, "Some businesses make the decision to use the government as a weapon against their competition."<sup>15</sup> As Wal-Mart is no stranger to controversy, it's no surprise this has not hindered its pursuit of health care reform. Keeping this in mind, Wal-Mart has chosen to proceed cautiously with promoting its agenda by minimizing its exposure to the media and maximizing the use of expenditures. Although it has joined forces with liberal groups to support reform, it has managed to portray itself as an ardent supporter of the average American consumer. In this way, Wal-Mart can continue to support legislation without substantially damaging its reputation of supporting pro-Republican business causes.

Though Wal-Mart's influential support angers some, it is important to recognize the impact Wal-Mart has in terms of pursuing policy change. Its support may create the difference

<sup>14</sup> Lobbying information accessed through the Center for Responsive Politics. <<http://www.opensecrets.org>>. H.R. 2641 and other general Medicare secondary payer issues. General health care legislative reform: policy options, financing policy options, delivery system reform options, and employer responsibility; America's Healthy Future Act (Senate Finance Committee proposal), S. 1679, Affordable Health Choices Act (Senate HELP Committee proposal), General health care legislative reform -- policy options, financing policy options, delivery system reform options, and employer responsibility: S. 1796, America's Healthy Future Act (Senate Finance Committee proposal); S. 1679 . Affordable Health Choices Act (Senate HELP Committee proposal), General health care legislative reform: policy options, financing policy options, delivery system reform options, and employer responsibility; America's Healthy Future Act (Senate Finance Committee proposal), S.1679, Affordable Health Choices Act (Senate HELP Committee proposal), and several other health care related issues.

<sup>15</sup> Quote taken from article. Lea Winerman, "Health Care Reform Splits Retailers." Accessed on November 22, 2009. <<http://www.pbs.org>>.

between proposed legislation and what gains congressional approval. It is my determination that Wal-Mart is the second most effective lobbying group considered in this analysis of health care reform lobbies. Through its revamped health care programs, its introduction of the \$4 generic program, and its in-store clinics, Wal-Mart has consistently taken the initiative to show it can reform in times of need. In addition, in joining an alliance with fellow opposition group SEIU; Wal-Mart displays another successful attempt in its pursuit for change.

## PepsiCo

PepsiCo, a beverage business founded in the late 1890's by pharmacist Caleb Bradham, is now a successful corporation and a leading player in the beverage world.<sup>16</sup> Since 2004, PepsiCo has worked towards ensuring better health care for its employees. Through the introduction of its health care program "Health Road," the company has offered "health assessments with incentives where an individual can earn up to \$200 per year in rewards. Their wellness program offers opportunities for employees to receive coaching sessions, fitness, nutrition, stress management programs, and tobacco cessations."<sup>17</sup>

PepsiCo's vision for health care reform bears resemblance to that of Safeway and Wal-Mart's position. As a supporter of health care reform, PepsiCo issued six guiding principles on health care:

Their recognition that our health care system is in need of reform, their participation in the development of a solution, the understanding that costs must be addressed, and that these solutions must be addressed at the federal level, their commitment to work with the World Health Organization and the World Wellness Unit to increase awareness on the impact of diseases, and lastly, their collaboration with the National Business Group on Health, the Conference Board, and the World Economic Forum in an effort to ensure a better outcome of health care reform legislation.<sup>18</sup>

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<sup>16</sup> PepsiCo later merged with parent company Frito-Lay in 1961.

<sup>17</sup> Karen Pallarito, "The Pepsi challenge: Sustaining employee participation in wellness," Accessed on November 23, 2009. <<http://www.allbusiness.com>>.

<sup>18</sup> Information can be found on Pepsi's website under health care reform: <<http://www.pepsico.com>>.

Along with grocery store conglomerate Safeway, PepsiCo joined CAHR in support of its pro health care reform policy stance. Its health care strategy entails five principles: emphasizing focus on wellness and prevention, the need to provide access to quality health care, cost sharing with consumers, the management of cost effective strategies, and the advancement of health information technology.<sup>19</sup> PepsiCo's alliance with CAHR appears to have somewhat relieved the beverage giant of the daunting task of utilizing the media in its own efforts to gain a successful outcome. PepsiCo has not been very vocal in terms of informing the public on its stance on health care reform. Through my research I was unable to uncover any expressed evidence with the exception of its publicized stance against taxation of beverages. PepsiCo's membership with Americans Against Food Taxes does offer the corporation an outlet to express its discontent with such a proposal. This appears to support the notion that rather than publicize its reasons in support of health care, PepsiCo is more effective in terms of explicitly stating what parts of legislation they find problematic.<sup>20</sup>

In previous years, PepsiCo was not deeply involved in lobbying as indicated by its expenditures. In 2008, it spent a total of \$1,176,000, whereas so far in 2009, that figure significantly increased to \$4,205,500.<sup>21</sup> PepsiCo lobbied for two issues in relation to health care bill H. R. 3200. Following the Senate Finance Committee's health care proposal in September, PepsiCo was right in line awaiting bill markups. According to *Roll Call*, the head of PepsiCo's DC office expressed his concern regarding taxation of sugar-sweetened beverages as a part of possible revenue for funding of H. R. 3200.

So far, PepsiCo appears to have achieved its reform goal. It has increased its outside lobbying efforts publicizing its stance on the beverage tax, and its membership with CAHR. PepsiCo also significantly increased its lobbying expenditures, which negates the previous assumption that increased expenses oftentimes equate with a losing outcome. The likelihood that the reform bill will pass is more probable then the annexation of the

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<sup>19</sup> Principles according to <<http://www.coalition4healthcare.org>>.

<sup>20</sup> Advertised as a grass roots organization, the website for AAFT explicitly states its opposition to food taxation. In addition to providing a vocal outlet to PepsiCo, it offers the public a chance to sign a petition and letter to Congress. In addition, the coalition also places TV ads, radio clips, and ads in newspapers expressing their stance against food taxation. <<http://www.nofoodtaxes.com/about/>>

<sup>21</sup> Lobbying information accessed through the Center for Responsive Politics: <<http://www.opensecrets.org>>.

sugar tax proposition. I would argue that PepsiCo has been successful in terms of achieving its health care policy goals and supporting the cause at hand. However, I would also add that PepsiCo has not been as effective as the two aforementioned businesses, Safeway and Wal-Mart. Perhaps instead of solely focusing its attention to the anti-beverage tax movement, PepsiCo could have created and promulgated an alternative solution.

## National Federation of Independent Business

The National Federation of Independent Business is a trade association that was founded in 1943 to promote and protect the rights of its members to establish and maintain their own small businesses. As of November 1<sup>st</sup> of 2008, NFIB joined forces with AARP, SEIU, and the Business Roundtable to complete the alliance known as Divided We Fail. The group's mission is to actively engage the public in all aspects of the health care reform debate. Developed with a grassroots edge, the organization actively participates in outside lobbying tactics through its "take action" webpage, column writing, selling of merchandise, blogging of personal stories, and mobilization of membership at rallies.<sup>22</sup>

Once the health care debate took hold, NFIB chose to unofficially part ways with the coalition to form its own organization, the Small Business Coalition for Affordable Healthcare.<sup>23</sup> Although NFIB supports health care reform, its decision to part ways was a result of portions of the legislation with which it disagreed: the public option and employer mandate. According to *Time*, the NFIB strongly vocalized its discontent with the current realm of legislation. NFIB believed the legislation would "destroy small-business growth and lead to the loss of as many as 1 million small business jobs."<sup>24</sup> In the midst of its apparent opposition to reform, the NFIB proposed its own reform mandate to address the "3 C's--Cost, Choice, and Competition." In order to reform, NFIB argued in favor of lower insurance costs, increased choice in terms of providers and plans, and the promotion of

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<sup>22</sup> An estimated join date according to AARP's website <<http://www.dividedwefail.org>>. The Coalition calls for improving health care through affordable alternatives, wellness and prevention efforts based on individual responsibility, and affordable choice in long-term care.

<sup>23</sup> According to [smallbusiness.com](http://smallbusiness.com), the coalition's core principles are: to provide tax incentives to assist in health care purchases, the implementation of market-based competition, increased health care options, and transparency.

<sup>24</sup> The NFIB argued in favor of the bill drafted by the Senate Finance Committee which excludes the employer mandate.

competition between insurers and providers. To promote its stance, the NFIB also created a grassroots organization, Solutions Start Here. This outside lobbying effort offers the public the ability to grow informed through its media center, “take action” webpage, which allows for the signing of petitions and letter writing to Congress, and is an outlet for supporters to share their own personal stories.<sup>25</sup> The NFIB has also helped organize grassroots events and town hall meetings. According to *Roll Call*, the NFIB has been a vocal advocate for “encouraging members to attend town hall meetings. The NFIB regional offices helped to organize more than 200 events.”<sup>26</sup> Its collaborative outside lobbying efforts didn’t end with the coalition. In cooperation with the U. S. Chamber of Commerce and the Association of Builders and Contractors, NFIB aired a TV ad in 19 states expressing its opposition to health-reform legislation.<sup>27</sup>

An ardent anti-reform advocate, the NFIB vocalized its concern with health care legislation during a hearing in front of the Senate Health, Education, Labor, and Pensions Committee on September 11, 2009. Senior Research Fellow William Dennis expressed his primary concern--the cost of health insurance and the organization’s discontent with the proposal of a public option and the employer mandate:

We have two principal reasons for opposition (to employer mandate)...The first is that employees ultimately bear the cost of their health insurance through lower employment, depressed wages, and the loss of economic opportunities. The second is that the initial cost, costs before they can be transferred to employees, are borne by employers. In effect, employers must “front” or initially lend the money to employees to purchase health insurance.<sup>28</sup>

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<sup>25</sup> The NFIB’s campaign Solution Start Here offers ten 10 principles: universal access to quality health care, private sector options, affordable care through wellness and prevention programs, medical liability and delivery system reform, unbiased care (the ability to freely choose a public or private provider without the burden of taxation), excluding employer pay or play and employer mandates, the option of portable health care, transparency, and evidence based reform with a realistic approach in terms of expediency. <<http://www.fixedforamerica.com>>.

<sup>26</sup> Anna Palmer, “Health Care Hits the Road,” (*Roll Call*), September 8, 2009. Accessed on November 18, 2009 <<http://www.web.lexis-nexis.com>>.

<sup>27</sup> Matthew Murray, “Groups Prepare for Insurance Hit,” (*Roll Call*), November 4, 2009. Accessed on November 18, 2009. <<http://www.web.lexis-nexis.com>>.

<sup>28</sup> Senate Health, Educ., Labor, and Pensions Committee, *Health Care*, 111th Congress Cong., 1st sess. (June 11, 2009), <http://www.web.lexis-nexis.com> (accessed November 18, 2009).

In pursuit of its anti-reform goals, the NFIB has spent so far a total of \$2,286,276 in lobbying expenses for a total of two issues regarding H. R. 3200. Though this figure shows a drop from 2008's total of \$3,965,000, it's still a large expenditure for a group that is seemingly losing the health care battle against reform. This again supports the notion that spending more funds in an effort to lobby a position oftentimes indicates being in a challenged position. Overall, NFIB has been a vocal opponent with a viable opposition to specific details within reform legislation. It may not be winning the battle in terms of lobbying against reform, but it is at least providing pertinent reasoning for the disapproval. As the NFIB is in favor of universal health care, its true goal is to ultimately see the country work toward achieving the best health care option available to the public. As such, I wouldn't go so far as to state that NFIB is anti-reform; they are just anti H. R. 3200 and H. R. 3962.

### National Association of Convenience Stores

The National Association of Convenience Stores is a trade association founded in 1961 to serve the primary concerns of the convenience and petroleum industry with its primary focus on providing knowledge, networking, and advocacy for its competitive membership base. The primary policy goal of the NACS is to argue against the culmination of the national reform on health care. Although the organization is known for its anti-reform stance, the NACS publicized its stance on a restrictive basis. Its reasoning for this is due to its concerns with the pay or play mandate, public option, benefits, and tax credit provisions. In terms of outside lobbying, the NACS appears to rely on its influence in cooperation with the Small Business Coalition for Affordable Health care.<sup>29</sup> Similar to the coalition stances, NACS supports reform so long as it follows the principles of market-based pooling, tax-based health incentives, the creation of "new" health care markets, and clear health care information. The NACS has spent \$2,241,000 in lobbying expenses on two bills relating to health care reform. However, its money has not gone to actively support or oppose any specific health care bill such as H. R. 3200. I found this revelation

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<sup>29</sup> Another grass roots organization with the option of public access 'Take Action' formatting.  
<<http://www.nasconline.com>>.

interesting, though not surprising given its lack of presence in terms of media and hearings.<sup>30</sup>

Following the passage of H. R. 3962, the NACS released the following press statement: "The NACS maintains its strong opposition to the employer mandate, surtax on the wealthy, and the public option."<sup>31</sup> In terms of inside lobbying, the NACS did send two letters to Capitol Hill addressing its concerns with the passed legislation, one sent by their president Hank Armour, and the other sent by the coalition.<sup>32</sup>

In comparison to all six of my chosen interest groups, the NACS is the weakest in pushing its policy agenda. So far its efforts to stall legislation have proven futile. The presence of NACS is not as powerful as its competitors. Although its lobbying expenses are viable, it has chosen not to exercise its influence on any specific health care bills. The only group that comes close to comparison in terms of failing to successfully promote its policy agenda is that of the U. S. Chamber of Commerce.<sup>33</sup> Its stance is also anti-reform but its spending is far more extreme. As I render the judgment that Safeway is most successful, I would argue that the U. S. Chamber of Commerce is the group who will most likely not succeed in their efforts to prevent the passage of the current form of health care reform legislation.

## U. S. Chamber of Commerce

So far in 2009, the U. S. Chamber of Commerce spent an exorbitant amount of money in lobbying expenses, \$65, 211,000. Its funding has gone on to support efforts on ten specific reported issues regarding H. R. 3200 and H. R. 3962, with the outcome of having actively lobbied on four specific bills relating to America's Affordable Health Choices Act

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<sup>30</sup> Lobbying information accessed through the Center for Responsive Politics. <<http://www.opensecrets.org>>.

<sup>31</sup> Press release listed on their website as <<http://www.nacsonline.com>>. Press release issued to public November 9, 2009.

<sup>32</sup> Press release listed on their website <[http://www.nacsonline.com/NACS/News/Press\\_Releases/2009/Pages/default.aspx](http://www.nacsonline.com/NACS/News/Press_Releases/2009/Pages/default.aspx)>.

<sup>33</sup> A national intuition representing interests of U. S. businesses which first took shape when President Taft. Who in a message to Congress in 1911 addressed the need for a central organization in touch with associations and chambers of commerce throughout the country with the ability to keep purely American interests in a closer touch with different phases of commercial affairs.

of 2009.<sup>34</sup> Its lobbying presence has led to pressure from liberal group MoveOn.org who feels the Chamber's anti-reform stance is a hindrance to its members such as the American Medical Association. According to *Roll Call*, the Chamber has dismissed the tactics of the liberal group as divisive and "orchestrated."<sup>35</sup>

In part of its effort to prevent reform, the U.S. Chamber of Commerce has proposed using all resources to hire a prominent economist to study the impact of the pending health care legislation. According to an exclusive e-mail obtained by *The Washington Post*, the Chamber commissioned the study in an effort to portray health care reform as a job killing initiative, "The economist will then circulate a sign-on letter to hundreds of other economists saying the bill will kill jobs and hurt the economy."<sup>36</sup> The Chamber continues to lobby the public by placing on air ads in an effort to promote its anti-health care platform. These aids aired in over 30 districts where Democrats only maintained a marginal advancement. According to *Roll Call*, the Chamber of Commerce launched a multimillion-dollar campaign to fund TV ads and phone calls.<sup>37</sup>

The Chamber has actively addressed its stance on its website and promoted its agenda through writing to members of Congress.<sup>38</sup> In a letter dated November 5<sup>th</sup>, the Chamber argued against the passage of H. R. 3962. Its position against the bill outlined the following concerns:

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<sup>34</sup> Lobbying information accessed through the Center for Responsive Politics. <<http://www.opensecrets.org>>. Five bills are specific to H. R. 3200, 1 bill related to H. R. 3962, issues related to employer provided health benefits as part of healthcare reform H.R. 1346 / S.540, Medical Device Safety Act of 2009 All health provisions in the following: H.R. 1788, H.R. 850, Small Business Cooperative for Healthcare Options to Improve Coverage for Employees (CHOICE) Act of 2009 H.R. 1322, Emergency Retiree Health Benefits Protection Act of 2009 H.R. 1346/S.540, Medical Device Safety Act of 2009 H.R. 3200/S. 1679, Affordable Health Choices Act S. 1796, America's Healthy Future Act of 2009 S. 2662, and issues related to various proposals on health care reform (no specific legislation) H.R. 1788.

<sup>35</sup> Bennett Roth, "Liberal Group Press H.R. 1/S. 570, American Recovery and Reinvestment Act of 2009, provisions on state attorney general enforcement of HIPPA H.R. 3200, Affordable Health Choices Act, provisions on medical malpractice reformures AMA to Leave Chamber," (*Roll Call*). November 13, 2009. Accessed November 14, 2009. <<http://www.rollcall.com>>.

<sup>36</sup> Michael Shear, "Health bill foes solicit funds for economic study," *The Washington Post*, November 16, 2009.

<sup>37</sup> Tory Newmeyer, "Reform Backers Pony Up," (*Roll Call*). November 18, 2009. Accessed on November 24, 2009. <<http://www.web.lexis-nexis.com>>.

<sup>38</sup> The U. S. Chamber of Commerce outlines their reform policies through: step-by-step reforms to lower costs, improve quality and access, and build a more value-driven system, oppose creation of a new government-run health entitlement and expensive new mandates forcing employers to pay-or-play, immediately take concrete steps, building on the strengths of the current market-based and employer-sponsored system, to help more Americans get better, more affordable health care coverage for employees, veterans, and others.

The U. S. Chamber of Commerce opposes H.R. 3962, the “Affordable Health care for America Act,” because it would make health care more expensive, create onerous new burdens for businesses, greatly increase the government’s involvement in the health sector, and implement a vast array of new taxes. The Chamber supports reforming the health care system; however, this bill would not accomplish successful reform, but would in fact make the current system worse.<sup>39</sup>

Why has the Chamber failed to achieve its policy goals regarding health care reform? I would argue the tactics utilized have turned off some of its supporting members, and arguably even members of the public at large. The public appears to be skeptical of the Chamber’s true opposition to health care reform as they see their stance as illegitimate. According to a study conducted by the Harvard School of Public Health, the public does not place much confidence in the agenda of corporate America in terms of health care. When asked how much confidence the public rendered for each organization to do the right thing for the country in terms of health care, the U. S. Chamber of Commerce placed fourth to the bottom, with 36% saying the Chamber would only do the right things by “only a little,” 29% a “fair amount, 6% a “great deal,” and 18% with the response of “none.”<sup>40</sup>

Overall, the Chamber has proven a powerful voice in terms of opposition, but the group lags in terms of offering an alternative reform plan. Although it outlines its chosen principles for reform, the Chamber does not provide any sound alternatives as in the example of Safeway. Given its stance, it appears the U. S. Chamber of Commerce is the group most likely doomed to fail in terms of achieving its goal in health legislation. I would argue that this outcome is largely due to its apparent GOP anti-reform stance as the organization of “no.” If the Chamber were a more creative organization in terms of arguing

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<sup>39</sup> Letter opposing H.R. 3962, the "Affordable Health Care for America Act" created on November 5, 2009. <<http://www.uschamber.com/issues/letters/2009/091105hr3962.htm>>.

<sup>40</sup> The Henry Kaiser Family Foundation, *Survey on the Role of Health Care Interest Groups*, ed. Harvard School of Public Health, September 2009, <http://www.kff.org> (accessed November 22, 2009).

for an alternative solution, perhaps it would see more results from its excessive lobbying spending.

In summary, through utilizing their power of influence, lobbying tactics, and lobbying expenditures, the six examined interest groups have argued in their own style their positions on health care reform. From Safeway's pro free market based health insurance plan, which reduced health care costs by 48%, to it's lobbying efforts on Capitol Hill in support of provisions to H. R. 3200, Safeway has proven itself to be the most successful business in terms of achieving it's health care reform goal. On the opposing side, the U. S. Chamber of Commerce appears to suffer the greatest in terms of ineffective policy strategy and excessive and expensive lobbying tactics. As a result, its inability to effectively influence lawmakers ultimately led to its failure in obtaining its health care reform goal. With that in mind, regardless of their positions, each group has participated in what is arguably one of the most important pieces of legislation in our lifetime.

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