



Insurance industry goes on the attack

*From CNN Senior Producer Kevin Bohn
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WASHINGTON (CNN) — After holding its fire for much of the year while being criticized by members of Congress and administration officials, the insurance industry is now going on the attack. The industry's trade group, America's Health Insurance Plans, has now hit the airwaves with a massive ad buy attacking the bill passed Tuesday by the Senate Finance Committee.

"Most people agree we need to reform health care but is it right to ask 10 million seniors on Medicare Advantage for more than their fair share. Congress has proposed more than \$100 billion in cuts to Medicare Advantage," the ad states, referring to the private insurance plan offered by Medicare to some recipients.

The ad — which airing in Louisiana, Colorado, Missouri, Nevada, New Mexico and Pennsylvania — does not mention specific legislators, but does ask viewers to "call your senators and tell them we need health care reform that protects seniors." The group will not say how much it is spending on the ad buy, but does say it is in the seven-figure range.

For its actions AHIP is drawing fire from critics since it had participated in talks for several months about how to achieve health care reform and had previously aired an ad supporting supporting the concept.

Earlier this week, the group released a controversial study it commissioned claiming the Senate Finance Committee bill would result in premium increases of up to \$4,000 for a family. However, the study conducted by the consulting firm PricewaterhouseCoopers did not take into account some of the proposed subsidies that would be offered to low-income families to help them pay for insurance, and the firm has said such provisions would offset some of the impact it estimated.

Congressional Democrats and the White House have blasted the industry for releasing the report on the eve of the Finance Committee's vote, and charged that the analysis is flawed.

"The insurance industry ought to be ashamed of this report," Sen. John Kerry, D-Massachusetts, said Tuesday during the Senate Finance Committee debate. "It's a powerful argument, frankly, for why we ought to have a public plan. It's a powerful argument for the attitude of an industry towards this effort. There's an old saying — if you're not part of the solution you are part of the problem.

The industry "made a huge mistake" releasing the report, Senate Finance Committee Chairman Max Baucus, D-Montana, told CNN Wednesday. For groups who are opposing the health care bills he said it is "much better to be part of a solution."

When asked on CNN's The Situation Room about the controversy surrounding the report, Karen Ignagni, President and CEO of AHIP, said it was meant to look at issues related to the industry's goal of extending insurance to as many people as possible.

"That's been the objective from the beginning, to get everybody in, so we can have a complete overhaul of insurance market reform. And this is what we support," said Ignagni. "We strongly support the president. We strongly support the Senate Finance Committee and every other committee that's proposed market reform. But to make that work, based on what happens in the states, you have to have everybody participating."

As the effort to achieve health care reform now moves to the next stage, with the Senate and House trying to blend their various bills into one piece of legislation, experts say you can expect to see groups on all sides weighing in with more ads as they highlight specific proposals they want to push or kill.

CNN's ad consultant Evan Tracey, of the Campaign Media Analysis Group, says that more than \$124 million has been spent so far this year by all sides on health care advertising.