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## Debate Over Health Insurance Opens Floodgate for Ad Dollars Into Market

### \$125M Laid Out So Far but Analyst Sees 'No Limit' to What Sides Will Spend

*By Rich Thomsaselli  
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NEW YORK (AdAge.com) -- Just as the \$829 billion health-care legislation made it out of the Senate Finance Committee and moved toward becoming a bill on the Senate floor, the national debate has begun to heat up again -- and with it, more ad dollars from both opponents and proponents of the current proposal.

America's Health Insurance Plans (AHIP), the trade group for the health-insurance industry, is apparently no longer content to sit on the sidelines. But once it became clear the actual bill was moving from vague "reform" toward something that will put insurance companies in the crosshairs, AHIP made a \$1 million TV buy in at least six states last week claiming senior citizens will see Medicare cut under the proposal.

As the insurance industry goes on the attack, traditional administration allies are running ads meant to hold Democrats' feet to the fire. The United Auto Workers and more than two dozen other unions have begun a print-ad campaign saying they will oppose any legislation on health-care reform unless it includes a public option.

A pitched battle, of course, means more spending. "There's a lot more to go in terms of ad dollars being spent around this," said Evan Tracey, the founder and president of Washington, D.C.-based Campaign Media Analysis Group, who says \$125 million has already been spent on ads surrounding the health-care-reform debate. "The question isn't whether there will be more spending, it's how and where those ad dollars get spent. There's no limit on what both sides will spend. Everybody has access to capital."

Mr. Tracey told AdAge.com he likens the homestretch of the debate to the final 60 days before an election. "Just like in a political campaign, you target your independent, your undecided voters. This is no different than that," he said, adding that "the only thing working against seeing another \$125 million spent is time. They want this done by the Thanksgiving break" in Congress.

**Ground solidifying**

"But," Mr. Tracey said, "now that it's going to become a bill, it's going to be a stationary target. When it becomes one bill, there will be specific things in there to attack or be in favor of, and you're going to see a heavy ad spend again."

That appears to be true with AHIP. For months, the health-insurance trade group has given its tacit approval of the proposed legislation by staying mum while the debate turned from health-care reform to health-insurance reform.

No more.

AHIP president-CEO Karen Ignagni released a statement that said while the group supports comprehensive, bipartisan reform, "The bill imposes hundreds of billions of dollars in new health-care taxes and provides an incentive for people to wait until they are sick to purchase coverage. A recent analysis by PricewaterhouseCoopers found that these provisions will cause health-care costs to increase far faster and higher than they would under the current system. We believe these issues can and should be addressed."

AHIP did not return calls and e-mails asking for further comment.

### **Disagreement**

The PWC analysis -- criticized by the White House and debunked by several economists -- noted that the current proposal would cause health-insurance costs for a typical family to increase more than \$20,000 between 2010 and 2019. Massachusetts Institute of Technology economist Jonathan Gruber released his study saying the insurance premiums would actually decrease under the current version of the bill approved by the Senate Finance Committee.

Nonetheless, the PWC analysis and the ad buy by AHIP in states such as Pennsylvania, Louisiana, Colorado and Nevada, among others, signals a shift by the health-insurance industry.

"As they say in D.C., if you don't have a seat at the table, you're on the menu," said Peter Pitts, the former associate commissioner of the Food and Drug Administration and now the president of the Center for Medicine in the Public Interest. "It's clear to me the health-insurance industry is being set up to be the bad guy here, and that's unfair. I suspect we will see more ad dollars being spent, but they should have done something when the writing was on the wall."

Mr. Pitts said the insurance industry needs to be careful with its advertising. "When it comes to influencing public opinion, I think the insurance industry will be viewed as peevish," he said. "They have an important message, no doubt, but they can't come off as being obstructionists to the bill."