

With Fat Joe concerts and Super Bowl ads, a cadre of billionaires is mounting an unorthodox campaign against hospitals



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By Rachel Cohrs

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Between performing renditions of his nostalgic rap hits at a recent D.C. concert, Fat Joe made impassioned pleas to ask policymakers to force hospitals to make their prices public.**POWER TO THE PATIENTS**

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ASHINGTON — At a waterfront concert in one of this city’s

swankiest neighborhoods, rappers Busta Rhymes and Fat Joe interspersed their hits about love, wealth, and wild parties with mini-lectures about hospitals’ high prices. It was a nostalgia-fueled rager — but it was also a not-so-subtle effort by a billionaire to convince Congress and other policymakers to crack down on the commanding sway of the hospital industry.

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“In health care, it’s your right to know the prices,” Fat Joe half-shouted to a sea of health policy staffers on a recent spring evening. The crowd, ushered in ahead of the rap royalty on a red carpet, wore wristbands that resembled hospital bracelets; many clutched custom cocktail cups that explained the wide variation in what patients pay for a brain MRI.

The strategy seemed to work. Just three weeks later, a prominent House health care committee held a hearing with a strikingly similar title: “Health Care Price Transparency: A Patient’s Right to Know.” The committee’s chairman, Rep. Jason Smith (R-Mo.), met with Fat Joe before the session.

The extravagant party, which drew lawmakers from both parties, a Cabinet secretary, congressional staff, health care industry players, and journalists, was the brainchild of Cynthia Fisher, a wealthy entrepreneur and political donor. She’s married to Jim Koch, the billionaire founder and chairman of the brewer of Samuel Adams beer. She recruited Fat Joe to the cause — as well as NASCAR great Richard Petty and actress Susan Sarandon.

Fisher is one of a small club of wealthy philanthropists using unorthodox tactics — and piles of cash and connections — to mount a campaign to rein in hospital prices. They’re buying Super Bowl ad spots, bringing celebrities to Capitol Hill, bankrolling research at reputable institutions, and financing small advocacy groups across the country. She’s joined by Laura and John Arnold, whose fortune came from John’s work as an energy trader at Enron and as a hedge fund manager, and Gary and Mary West, who founded a telecommunications giant.

“In Washington, it’s about the self-interest of the big industry of health care at the table... and everybody who’s profiting off of the misfortune of a patient. This is philanthropic,” Fisher said in an interview. “This is about being able to bring the voice of the people to Washington.”

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Already, their priorities are gaining some momentum on Capitol Hill. So far this year, key committees in the House of Representatives have held half a dozen hearings examining the community benefits nonprofit hospitals provide, interrogating hospital markets, and considering aggressive legislation that would force hospitals to share their prices and change how they get paid by Medicare.

The hospital industry has long been a lobbying powerhouse in Washington. Not only are hospitals willing to spend mightily on their advocacy, but their altruistic, care-giving reputations, coupled with their presence in nearly every congressional district in the country, have earned them the favor of most politicians.

But now, hospitals are worried the onslaught of the billionaires’ parallel campaigns could threaten their bottom lines only two years after they were the health care system’s frontline defense against the Covid-19 pandemic.

“Because of their unlimited pocketbook and vast resources, they have flooded the field,” said Stacey Hughes, who runs the American Hospital Association’s multimillion-dollar lobbying operation.

“Hospitals were clearly not ready for this level of sophistication in an advocacy campaign,” said Paul Lee, a hospital lobbyist who has worked on K Street for 35 years. “And honestly, they’re still not ready.”

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or years, hospitals have followed a familiar lobbying playbook: They

dispatch a bevy of lobbyists to Capitol Hill and argue that any cuts to their bottom lines

will reduce patient access to care. They say they're already underpaid by the government, and that the trend of consolidation across the industry allows them to improve care, ensure patient access, and bargain more effectively with insurers.

To fight back, the billionaire groups are offering lawmakers a less traditional strategy.

The Arnolds, in particular, have invested tens of millions of dollars to finance research questioning the hospitals' assertions. They have also helped pay for transparency tools to allow overworked legislative aides to fact-check lobbyists' assertions about hospitals' financial situations in real time.

“For people like the hospital industry and the drug industry... they used to have full control of the information source in terms of influencing, and I think we're balancing out some of that,” said Mark E. Miller, the executive vice president of health care for the Arnolds' philanthropic operation.

And unlike the usual analyses commissioned by advocacy groups, the Arnolds are channeling money to reputable think tanks to do their own studies, which makes them seem more credible.

Their grantees are seemingly ubiquitous, and run the gamut of the political spectrum from the right-leaning American Enterprise Institute to the left-leaning Center for American Progress, to the nonpartisan Kaiser Family Foundation. Universities have benefited too, including Cornell University, Duke University, Georgetown University, Johns Hopkins University, and the University of Southern California.

The studies [question whether nonprofit hospitals provide enough care to the poor to truly deserve their tax breaks](#), [estimate the savings](#) to the federal government from policies to make sure hospitals aren't paid more for services than physician offices, and interrogate how some [hospitals' massive investment portfolios](#) impact their bottom lines.

Fisher has taken a somewhat different approach, producing her own evaluation of hospitals' compliance with the Trump administration regulations that require hospitals to post their prices online for 300 common services. The [most recent report](#) found fewer than 25% of hospitals complied, but so far, Medicare has only fined four hospitals for [failing to comply](#) with the rules.

She said her ultimate goal is for patients to be able to search for prices for services near them on an app on their phones, and for that transparency to create a functional, more competitive health care marketplace.

Beyond the Beltway, the billionaires are also paying for education campaigns and drawing attention to the issue of hospital costs for the everyday person who isn't tracking the federal health department's regulatory agenda.

Fisher, in particular, has bought Super Bowl ads, financed defiant murals designed by the artist that created the [iconic "Hope" poster](#) for the Obama campaign, now [in cities across the country](#), and recruited celebrities to let people know that the Trump administration required hospitals and insurers to disclose information about their pricing practices.

"People in general don't know they have the right to see all of the actual prices in health care from the hospitals before they get care, and to have that posted online. So that's why we are trying to get the message out," Fisher said.

Fat Joe was featured in [this year's Super Bowl spot](#) informing people that hospitals that don't disclose their prices are breaking the law. A 30-second ad ran in the D.C. market and cost six figures.

Fisher and Fat Joe also made a trip to Capitol Hill to meet with lawmakers, including Smith, Senate Finance Chair Ron Wyden (D-Ore.) and House Minority Leader Hakeem Jeffries (D-N.Y.). Fat Joe chatted with reporters and did photo ops. After the visit, [ads featuring Fat Joe](#) were displayed in Metro stations in the D.C. area and at D.C.'s central train station.

The Wests have also partnered with Gallup to try to make the case to policymakers that the public writ large supports price controls on the health care industry, including hospitals. In a report released last fall that they funded, 76% of individuals surveyed supported [placing limits](#) on how much hospitals can charge people.

The groups' influence tactics also extend to statehouses and courthouses.

The Arnolds have identified employer groups as key allies in their mission to rein in hospital costs. Employers are the ones that bear the costs of insuring their employees, and have an incentive to pay less. But generally, employers haven't been unified or engaged in throwing their weight around in policy debates.

That's changing in some states. The Arnolds helped finance a consumer [advocacy group](#) and a separate employer group in Indiana that successfully pushed a new law that bans large hospital systems from charging facility fees for visits to doctors' offices off the hospitals' campuses, and requires reporting from hospitals about their prices and how they compare to Medicare prices.

The group used some of the money to create [Sage Transparency](#), a tool that allows researchers, employers, journalists, and policymakers to quickly search hospitals' financial and quality information in a user-friendly dashboard.

The Arnolds bankrolled another employer coalition right in their backyard, in Houston, that's pushing similar efforts in Texas. Texas Employers for Affordable Healthcare used contributions from Arnold Ventures to hire a lobbyist to advocate for legislation banning anti-competitive contracting practices, to bring on policy advisors, to mobilize employers, and to employ an outside media firm.

“That requires funding, and Lord knows the hospitals have enough of it, that they're able to get a message out,” said the group's executive director, Chris Skisak.

The Arnolds are also taking aim at the strategy that hospitals use to get the power to charge high prices in the first place.

Some hospital systems buy up a group of hospitals in a geographic area, and then have the power to charge higher prices. While hospitals argue that consolidation allows them to negotiate better prices and streamline care, skeptics of consolidation are concerned that a lack of competition and ability to raise prices isn't good for patients.

The Arnolds are financing lawsuits claiming that big hospital systems are using market power to hike prices, the [Wall Street Journal first reported](#).

The scale and variety of strategies the billionaires are employing have the hospital industry on edge.

“These organizations now have the capacity to use all of the armada of advocacy to push whatever limited picture and priorities they have,” said Chip Kahn, the CEO of the Federation of American Hospitals, which lobbies on behalf of for-profit hospitals.



Billionaire philanthropist Cynthia Fisher and rapper Fat Joe advocated for hospital price transparency measures in a recent meeting with Sen. Ron Wyden (D-Ore.).POWER TO THE PATIENTS

Hospitals are formidable opponents — and have, until recently, been

virtually untouchable on Capitol Hill.

Part of their influence comes from brute force. Hospitals spend millions on lobbying every quarter — the American Hospital Association alone spent more on advocacy than all but five other deep-pocketed organizations. State organizations hold power too. For example, the Greater New York Hospital Association is one of Senate Majority Leader Chuck Schumer’s closest allies.

Unlike other health care sectors, where major players have headquarters, offices or manufacturing centers in a few places, hospitals are located in every state in the country, and in literally every congressional district in the country. Besides providing essential services for citizens, they’re also often major employers, meaning they can argue that pay cuts will not only hurt patients, but limit jobs as well.

At the height of the Covid-19 pandemic, [hospitals were lauded as heroes](#) on the front lines. Horrific scenes played out as emergency rooms filled and patients [died painful, lonely deaths](#). Health care workers in hospitals struggled to get basic supplies to protect

themselves. Congress shoveled more than \$175 billion in direct emergency aid to hospitals and doctors, and increased government payments to hospitals.

But as lawmakers look for new ways to lower health care spending, especially after Democrats passed a landmark deal to let Medicare negotiate some prescription drug prices, hospitals are starting to realize their goodwill has largely expired. While Covid-19 offered some insulation for a while, momentum on Capitol Hill has shifted against them in a dramatic way.

“I’ve never seen this level of anti-hospital rhetoric in the nearly 40 years I’ve been doing this,” said Lee, the longtime hospital lobbyist who’s a founder and senior partner at the lobbying firm Strategic Health Care.

While hospitals have their own substantial war chest, the scale of information being disseminated by the billionaires is causing them concern. Kahn said the analyses that Arnold Ventures funds generally focus on price of care without taking into account what insurers actually pay, or how pricing policies affect access to care.

“They’re putting a lot of gold on the weight of the scale to prevent the kind of objective discussion that policymakers should have,” Kahn said.

An Arnold Ventures spokesperson said the group focuses on consolidation and prices, and that evidence shows consolidation among hospitals raises prices but does not improve quality, and in some cases may harm it.

Lee, who has been tracking the Arnolds’ activities for the past year, complained that while traditional lobbying organizations have to file reports about their activities, the way Arnold Ventures is structured means there are few requirements to disclose how they are working. For example, Arnold Ventures is structured as a for-profit company. It chooses to disclose its grants in a publicly searchable database, but isn’t mandated to do so.

“Who are they accountable to? Who is their constituency? At the end of the day, it’s themselves,” Lee said.

Hughes echoed the concerns, and said that the groups’ agendas need to be transparent.

“When you buy up the entire town, there needs to be transparency and there needs to be active accountability,” she said.

An Arnold Ventures spokesperson said the organization's purpose is not to generate profit, and that it is subject to the same set of lobbying rules and regulations that generally apply to business entities such as corporations and limited liability companies.

The billionaires, for their part, maintain that they aren't profiting from any particular policy outcome, and are advocating on health care issues as a philanthropic pursuit.

Miller of Arnold Ventures said that most of the conversations on Capitol Hill are driven right now by people who have a financial interest in the outcome, but regardless of what Congress decides, it doesn't impact the financial status of the philanthropy as a whole. That lack of financial interest is a positive role for philanthropy, he argued.

"This organization hemorrhages money, that's what it does. We give out grants," Miller said.

Fisher said she's taken an interest in holding the health care industry accountable because she views herself as part of it — she founded a biotech company in 1993 that banked umbilical cord blood. She's not making money on the advocacy either, she said. Her advocacy is motivated by the stories she's heard of people who came to her to borrow money to cover medical debt, even though they worked hard and had health insurance.

"This is extortion by the health care system by making every patient personally guarantee that they will give up in their own homes, their wages, their savings, for whatever the hospital chooses to charge them. This is just wrong," Fisher said.

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he billionaires' message is resonating on Capitol Hill. House committees

have held seven hearings addressing hospital costs and market power so far this year, and legislation supported by the billionaire groups has started progressing through the process Congress uses to approve laws.

The policy with the most momentum right now is a bipartisan bill from Energy and Commerce Committee Chair Cathy McMorris Rodgers (R-Wash.) and ranking member Frank Pallone (D-N.J.) cracking down on hospitals and insurers to make sure they're disclosing their prices — just like Fisher has been pushing.

The Energy & Commerce Committee voted to unanimously advance the bill on Wednesday, and during a recent hearing on the issue in the House Ways & Means Committee, Smith referenced meeting with Fat Joe on the issue of transparency and Fisher’s data on hospital compliance.

House Republicans have been leading the charge on more aggressive measures, too.

One policy that has the sector worried would make sure hospitals aren’t getting paid more for a service than a physician’s office that provides the same care. It could cost them tens of millions of dollars if Congress ultimately enacts the stringent policies that some key politicians are looking at.

So far this year, the Senate hasn’t shown as much interest in addressing hospital costs. Significant changes in how payment works in the health care system can take years of hearings, bills, and debate before they advance.

Miller said the Arnold Ventures team is answering questions from Hill staff on both sides of the aisle. He thinks that the window of opportunity to pass hospital pricing reforms is coming, given the general public’s increased awareness about hospital billing issues, increased concern about consolidation across the economy, and fears about Medicare’s future.

“We’re trying to bring the facts to them about here’s the problem, here’s some ideas, and there’s people who care about this,” Miller said.

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About the Author



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