Building the Infrastructure of the Affordable Care Act: Hillary Clinton, UnitedHealth Group/Optum, and the Center for American Progress

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The Patient Protection and Affordable Care Act (ACA) is made up of numerous moving parts surrounded by truth and fiction, promises and deception—elements coming from both inside and outside government and making congressional oversight nearly impossible.

The ACA is also the legal catalyst for a massive information technology (IT) infrastructure connecting, tracking, and exploiting economic, social, and cultural components of American society. Government departments may now arbitrarily structure thousands of regulations and policies from this poorly written legislation, all of which have an impact on the personal lives of citizens from prenatal exams to hospice.

But who is in charge?

The Obama Administration issued assurances that individuals would see lower premiums and continuity with their insurance plans and “providers.” Meanwhile, the same Administration has aided a continuum of the Clinton attempt at creation of universal health reform by essentially “packing” the management of the U.S. Department of Health and Human Services (HHS) with forceful Progressives from the shadows of the Clinton era. The regulatory infrastructure embedded in government healthcare management has already caused irreparable damage to physician and patient independence, if they remain within the system. As a result, many physicians are no longer accepting Medicare or Medicaid patients or have opted out or turned to retainer-based or membership practices.

This structure of the ACA was not the plan of the American people, or all of the Congress that passed it in a reckless flurry without reading it. It is now, however, a new monopolistic policy system, led by many from the Clinton-era team, including executives from UnitedHealth Group and its substantially diverse group Optum. The administration has carefully designated individuals to high-level management positions within HHS, but these bureaucrats fall just under the public radar. It is a dangerous arrangement of government insiders, insurers, and data brokers. With some study, a tangible picture emerges: well planned by members, past and present, of the Center for American Progress and aided by Obama to bring the country closer to their single-payer ideal.

The leadership of HHS currently includes individuals with a common commitment to:

- Reach the goal of economic, social, and cultural transformation of the country through regulation, policy change, and strategically placed personnel within the executive branch;
- Use the state exchange “failures” and delays of 2013–2014 to form a monopolistic insurance scheme, confusing consumers and overseers with brand changes, subcontracting, and partial acquisitions;
- Form a big-data infrastructure, built on aggregate and identifiable personal data, to stratify and manage the population;
- Advance development of an incremental single-payer system through contracting entities such as UnitedHealth Group/Optum/Optum Labs and Quality Software Services, Inc. (QSSI); and
- Work with the post Clinton-era Progressives and the Center for American Progress (Lois Quam, John Podesta, Neera Tanden, Ezekiel (“Zeke”) Emanuel, Jonathan Gruber, and Topher Spiro) to expand global health initiatives.

Because of ACA’s complexity, neither the public nor most of Congress really knew “what was in it.” The 2013 public focus was on the “what-ifs” of increased insurance premiums, number of people to be insured, cost to taxpayers, and potential physician shortages. In the background, insurance companies were busy with mergers and acquisitions, and lobbying heavily. With the much anticipated day for enrollment came the “disaster” of the national website. Huge companies known for their expertise in IT fell short of success and still collected millions owed on their federal or state health exchange contracts. At the end of February 2014, the Administration had spent $834 million on developing the troubled website, HealthCare.gov. HHS total spending to support the federal “marketplace” is still to be determined, but projected in 2014 to exceed $2.2 billion with the new $535 million contract to IT consultant Accenture. When added to federal monies spent on failed state exchanges, the numbers increase substantially and may never be accounted for because of a general lack of transparency in state contracting, waivers, and federal subsidies.

The focus on websites and legal battles allowed time for well-positioned companies to be contracted to “assess” the problems of troubled exchanges and essentially “save the day” by bringing in their own subsidiaries for better management. It may never be determined how incompetence or deception played into the delays, but the resulting opportunity put UnitedHealth Group/Optum/QSSI on the contracting map. At the very least there is the appearance of a conflict of interest in the non-transparent, no-bid contracting.

Lobbying and government contracting involving select ACA “architects” and consultants, such as Gruber and Emanuel, who promoted one company over another and have ties to leftist organizations such as the Center for
American Progress, have been instrumental in putting in place a health services infrastructure large enough to exist as a quasi-governmental, single-payer system and to change many aspects of our culture.

Optum is hardly a household name, but it is the largest of UnitedHealth Group subsidiaries. UnitedHealth’s Optum company includes a managed-care business, a software and consulting unit, and a pharmacy benefit management (PBM) service provider. They also tout a bank, financial services, data analysis, and a clinical analytics service to their customers. The platform is designed to help clients such as hospitals, employers, and government agencies lower health costs. The biggest growth came from its OptumRx PBM unit, which notched a 33 percent year-over-year revenue gain for all of 2014.³

Optum claims on its website, www.optum.com: “We are 80,000 health care experts, turning years of medical data into smarter decision making.” Optum has established plans for all aspects of healthcare, bragging that “state and federales agencies rely on Optum™ to turn huge amounts of data into powerful insights that improve health outcomes.” It claims that “domain expertise and a deep understanding of how government works” is what “guides us as we work with you to improve the effectiveness of Health and Human Services programs for organizations and citizens.” Sophisticated data warehousing is not enough: it “has little impact without deep domain knowledge and a track record in the government sector.” Optum™ experts, the website claims, “understand the nuances…. We can help contain costs and improve outcomes for Health and Human Services agencies, program beneficiaries and taxpayers.”

All of this may be true, and the company’s website and annual report offer much insight into its plans for our future, but who put Optum executives in charge, and are they really transparent? Why is UnitedHealth Group/Optum’s senior executive, Andy Slavitt, now acting administrator of the Centers for Medicare and Medicaid Services (CMS)? The ACA executive, Andy Slavitt, now acting administrator of the Centers for Medicare and Medicaid Services (CMS)? The ACA was sold to the public as a solution for the uninsured, but in actuarity is a comprehensive infiltration into all of healthcare transformation of the healthcare system had taken place through the regulatory process.

There is a huge shadowy healthcare infrastructure developed in part and now guided by the leftover Clinton Task Force of 1993 and strongly supported by the Center for American Progress and the Obama White House. Without much interest or scrutiny by the public, press, or medical community, the new healthcare scheme is in place. Because of this structure, revisions of portions of the ACA may be possible, but repeal or defunding will be daunting in terms of finding able resources and creating legal challenges to existing complex regulations and contracts that involve multiple parties and their subcontractors.

To paraphrase James Carville, who said, “It’s the economy, stupid” in 1992, perhaps Gruber was alerting the American people to the fact that it is “the economy and the data, stupid.” Data collection and analyses performed by a single
entity with financial interests (the insurer) has always been regarded as a professional conflict of interest. Today, insurers contracted by government reimburse data-driven care using inherently biased analysis. This suggests that the new analytics and actuarial modeling touted by Emanuel for developing “evidence-based” algorithmic treatment directives for patients and doctors lead us down a perilous path. Authority over the ACA lies with an Administration that has the stated goal of a single-payer system.

Unknown entities are collecting, processing, and analyzing data, and creating huge, growing data hubs. The population has virtually no knowledge of the credibility or integrity of the data or of the analysis that will be used to determine personal health and economic issues. Those with oversight are now embedded in the executive branch. They have the power and the organization to direct the future, and it does not appear that patients will benefit.

The economic decline of individuals and businesses is already apparent. But the potential loss of physician and patient autonomy, due to “decision-based evidence determinations,” as opposed to evidence-based clinical practice, in crucial healthcare situations is the most significant forfeiture of freedom influenced by this unproven data scheme. The Progressive momentum in place cannot be underestimated and is potentially very destructive.

On Sept 5, 2014, CMS issued a final rule (CMS-9941-F) enacting automatic re-enrollment in the federal marketplace. A consumer who does not return to the federal HealthCare.gov website to enroll may be re-enrolled automatically. While consumers are encouraged to reevaluate their financial status and tax credit eligibility, they do not have to provide their permission for HHS to check updated tax information for annual eligibility redetermination purposes. This CMS action may appear to be streamlining a process, but may in fact be a further indication that we are approaching a de facto single-payer system. The government, UnitedHealth Group/Optum, and perhaps another company in the depleted field of insurers, will have achieved their goal for a quasi-governmental entity that will direct U.S. medicine and our ability to pay for it.

With so many regulations in place, the structure now lies solely within the executive branch in a government without transparency. It is about the data brokerage, which leads to political supremacy, and the financial benefits of unrestrained use of data to stratify, manage, and manipulate the healthcare system and the populace. Data is knowledge, and knowledge is power. We fear and fight foreign powers over theft of personal information, but we are complacent with the information and privacy threats inherent in the ACA.

The future may find implementation of the ACA to be the permanent Clinton-Obama legacy.

Some Key Players

The following individuals and corporate entities are now firmly embedded in the HHS hierarchy. Influenced by Progressive policy factions, they serve as a cooperative organizational power with limited restraint.

Lois Quam
In 2011 Quam was appointed to lead the President’s Global Health Initiative under Secretary Hillary Clinton’s State Department. She also served as special adviser to Secretary of State John Kerry, with a focus on global health and public-private partnerships. Quam was senior advisor to Hillary Clinton’s 1993 White House Task Force on National Health Care Reform. She left to become founder and CEO of UnitedHealth’s Ovations subsidiary and in 1997 brokered a deal with AARP to become the underwriter of its supplemental coverage and pharmacy benefit plan. In 2013, Ovations reported it collected some $4.3 billion in such “Medigap” coverage.

That deal resulted in one of the largest transitions in the history of the insurance business and was noted for its operational success. In 2003, 2004, 2005, and 2006, Quam was selected by Fortune magazine as one of the “50 Most Powerful Women in American Business.” Quam was a member of Hillary Clinton for President in Minnesota in 2008 and a fellow with the Center for American Progress. Quam founded Tysvar, a privately held Minnesota strategy company with the mission of bringing about universal healthcare reform and a “new green economy.” She was appointed chief operating officer of the Nature Conservancy in March 2014, where she continues to actively promote global health. She married Arshad Azizali Mohammed on Dec 7, 2014, in a Muslim ceremony. He is a State Department-based correspondent for Reuters.

Nancy-Ann DeParle
DeParle was deputy chief of staff for policy in the Obama Administration from January 2011 to January 2013. In 2009 she served as the director of the White House Office of Health Reform (healthcare czar), leading the Administration’s efforts on healthcare issues, including the passing of the ACA. She was a CMS administrator during the Clinton years and worked in the Office of Management and Budget (OMB). Before taking her job as the Obama White House health reform director, she earned more than $6 million serving on the boards of Cerner, Medco Health Solutions, Boston Scientific, CareMore, and DaVita. She resigned from these boards while in the White House and now serves on the board of CVS. In 2013 she left the White House to work in the world of private equity, as partner with Consonance Capital Partners. In an interview with Richard Pizzi, posted Aug 26, 2013, DeParle stated, “I was fortunate enough to be able to invest in good ideas in healthcare, but it’s not for the faint of heart.” She is married to Jason DeParle, a reporter for The New York Times.

Kathleen Sebelius
Former HHS Secretary and former governor (2004-2009) and insurance commissioner of Kansas, Sebelius was charged
with oversight of the roll-out of HealthCare.gov. The Secretary came under criticism for the failures in the mechanics of the public’s inability to enroll in “ObamaCare.” Congressional hearings produced little in contracting rationale or concrete information. As Secretary, she supported and promoted Optum. In early 2008, there was some speculation that she might become a vice-presidential candidate.

**Sylvia Mathews Burwell**

Burwell became HHS Secretary in 2014. She is a Rhodes Scholar and worked as associate at McKinsey. She joined the Clinton presidential campaign in 1992, and then led the Clinton transition team. She was White House staff director of the National Economic Council (NEC) in 1993 and was then chief of staff for Treasury Secretary Robert Ruben from 1995 to 1997. Later, she became one of Clinton’s two deputy chiefs of staff, the other being John Podesta, under Erskine Bowles. She served the Gates Foundation from 2001 to 2011, where she was president of the Global Development Program for 5 years. She went to the Walmart Foundation and from there was appointed director of the Office of Management and Budget (OMB) in April 2013. She was confirmed as HHS Secretary on Jun 6, 2014, and hired Andy Slavitt, executive of UnitedHealth (Optum), soon thereafter.

**Andy Slavitt**

Appointed principal deputy administrator at CMS on Jun 20, 2014, Slavitt was a former Goldman Sachs executive. Later, he was managing director of UnitedHealth Group’s Center for Affordable Consumer Health and CEO of Ingenix Consulting, Inc., a company embroiled in a New York scandal leading to a settlement of $50 million with New York State and $350 million with the American Medical Association. Slavitt has served as CEO of OptumInsight (a rebranding of Ingenix), a subsidiary of UnitedHealth Group since November 2006, and also served as its chief operating officer from January 2005 to November 2006. Slavitt served as the chairman of the board of QSSI, the controversial UnitedHealth Group/Optum contractor that was the general contractor for the federal website HealthCare.gov.

Obama’s nomination of Andy Slavitt to replace Marilyn Tavenner as permanent administrator of CMS is controversial. Because of interests shared by private and public sectors, this nomination appears an indicator of the President’s ambitious goals for single payer. The confirmation hearings should be intense. However, for the nomination to have gotten this far is an ominous state of affairs not only for CMS, but for all of American medicine.

**Kevin Counihan**

Appointed the first Director & Marketplace CEO of HealthCare.gov, Counihan came from the Connecticut Exchange in August after a May 2014 public request for new management structure from the Center for American Progress. He led Connecticut’s health insurance exchange, Access Health CT, a program being purchased by Maryland, and was chief marketing officer for the Commonwealth of Massachusetts Health Insurance Connector Authority until 2011. Jonathan Gruber served on the board of directors and as a consultant to the state during the same time. Counihan also will manage the Obama Administration’s relationships with state-run exchanges and oversee the CMS Center for Consumer Information and Insurance Oversight.

**Lucia Savage**

Savage is chief privacy officer for the Office of the National Coordinator (ONC) for Health IT. She served as senior associate general counsel at UnitedHealthcare where she supervised a team that represented the organization in its work on large data transactions related to health information exchanges, healthcare transparency projects, and other data-driven healthcare innovation projects. According to the ONC, she has served on the Governance Board of the Centers for Medicare & Medicaid Services’ Multi-Payer Claims database project (2011-2013), and collaborated with health information exchanges and state agencies in their planning with payers. The agency is planning a number of key privacy-related projects for 2016 regarding interoperable electronic health records.

**Kevin Thurm**

According to the HHS website, Thurm is senior counselor to the HHS Secretary. He served as HHS deputy secretary and chief operating officer from 1996 to 2001 during the Clinton Administration. He also served as principal adviser January 1993 to 1996. He worked on the Clinton for President and Clinton Gore ’92 campaigns during 1992. He is a former Rhodes Scholar with a B.A. from Tufts University, a B.A. and M.A. from Oxford University, and a J.D. from Harvard Law in 1989.

**Leslie Dach**

Now senior counselor and adviser to HHS, Dach is a prominent Democratic Party donor, who gave $23,900 to the party in 2008 to help elect Obama. In his previous job as a top lobbyist and strategist for Walmart (2006–2013), he partnered with the White House on high-profile projects, including Michelle Obama’s “Let’s Move!” campaign. (Note that Hillary Clinton also served on the board of Walmart from 1982-1986.) Dach and Burwell have known each other for more than 20 years. They first worked together in the 1988 Dukakis presidential campaign, according to a senior HHS official, and in the Clinton Administration.

**Vivek Murthy, M.D.**

As a 36-year-old graduate of Harvard and Yale, Murthy was appointed Surgeon General by President Obama and confirmed by a 51-43 vote on Dec 15, 2014. Dr. Murthy organized Doctors for America, a group that started as Doctors for Obama. He is a political activist and a fellow
at the Center for American Progress. He is said to have an agenda focused on revisions to the Second Amendment.\(^16\)

**Steve Larson**

Former director of the Center of Consumer Information and Insurance Oversight (CCIIIO) under CMS from 2010 to 2012, and the former insurance commissioner of Maryland, Larson left CMS/CCIIIO in June 2012 to become executive vice president of government solution at the UnitedHealth Group subsidiary, Optum. (CCIIIO is the center of “ObamaCare” and HealthCare.gov.) Larson’s move was made under a cloud of the controversial contracting with UnitedHealth Group/ Optum/QSSI to run HealthCare.gov. This particular contract came to the attention of Congress and prompted concerns from the House Energy and Commerce Committee. Rep. Fred Upton (R-Mich.) and Sen. Chuck Grassley (R-Iowa) asked two healthcare companies for information on whether they would limit any potential conflicts of interest presented by their involvement in implementing and potentially providing services under the healthcare reform law. It was noted that QSSI holds a contract with CMS to erect the federal data services hub that will serve as the foundation for complex federal health insurance exchanges. According to media reports, UnitedHealth Group, through its subsidiary Optum, purchased QSSI in late September 2012. Thus, UnitedHealth Group now owns both Optum and QSSI. It also owns UnitedHealthcare, a major national provider of healthcare plans and competitor to other health plans expected to participate in a federal exchange.\(^17\)

**Anthony Welters**

Welters was appointed executive vice-president of UnitedHealth Group in December 2006 and served as president of the Public and Senior Markets Group from September 2007 to December 2010. In 2011 Welters joined the office of UnitedHealth Group’s CEO. He gained notice when QSSI was granted a contract to implement HealthCare.gov and then was purchased by UnitedHealth Group subsidiary, Optum.

Anthony and Beatrice Welters bundled donations totaling between $200,000 and $500,000 for Obama’s campaign during the 2008 election cycle, according to campaign finance data compiled by Center for Responsive Politics. President Obama appointed Beatrice Welters as U.S. ambassador to Trinidad and Tobago.\(^18\) Anthony Welters is currently executive chairman for Black Ivy Group, LLC, started by Cheryl Mills, a consulting firm focused on sub-Saharan Africa.

Welters founded AmeriChoice Corporation in 1989 and served as president and CEO; it was acquired by UnitedHealth Group in 2002. He serves as chairman of the board of New York University Law and Morehouse School of Medicine. He is the recipient of the prestigious Horatio Alger Award. He serves on multiple boards, including Bard, West Pharmaceutical Services, and Carlyle, and has received numerous awards for philanthropic endeavors.\(^19\)

**UnitedHealth Group**

The largest single health carrier in the U.S. and the world, boasting services to 85 million people in 18 countries, UnitedHealth Group lists more than 15 pages of subsidiaries with the Securities and Exchange Commission (SEC), including OptumHealth, Ovations, and AmeriChoice.\(^20\)

In the third quarter of 2015 UnitedHealth Group reported a revenue jump to $41.5 billion from $32.8 billion in 2014.\(^21\)

**OptumHealth**

Formerly Ingenix, OptumInsight was established in a brand unification action by UnitedHealth Group as a health services platform that focuses on healthcare systems, population health management, care delivery, and clinical and operating elements of the system. The Company has grown to be the major entity in the evolving “ObamaCare” scheme, as noted above. Optum describes itself as a health services company with more than 35,000 employees. Numerous acquisitions, partnering, contracting, and rebranding since 2009 make tracking contracts and downstreaming difficult.

The company reported 2013 revenues of $37 billion, a growth of 26 percent, and an increase of 61 percent in operating earnings.\(^21\)

**AARP**

AARP, Inc., formerly the American Association of Retired Persons, was founded in 1958 and as of April 2014 had more than 37 million members. Lois Quam authored the company’s landmark proposal for supplemental health insurance. A 2008 *Boston Globe* article claimed that “AARP collects hundreds of millions of dollars annually from insurers who pay for AARP’s endorsement of their policies,” and that “after the Medicare bill was signed into law by Bush in December 2003, AARP was able to expand its contract with Minnetonka, Minnesota-based UnitedHealth Group Inc., which underwrites AARP’s Medicare supplemental insurance plan.”\(^22\)

More recently, on Oct 15, 2013, UnitedHealth Group announced that it had reached an agreement in principle with AARP to extend and broaden their long-time relationship focused on “improving the health and well-being of Americans 50 and older.” The new AARP relationship with Optum Labs, according to Optum, will help drive far-reaching research to consumer health innovation.\(^23\) However, referenced in the multiple Working Papers of the 2013 Annual Report for UnitedHealth Group under Optum/ Health Reform there are multiple opportunities for abuses as they outline legislative reform, clinical research, population management, and provider directives based on their own data collection and analysis.

**The Center for American Progress**

This public policy research and advocacy organization describes itself as “dedicated to improving the lives of Americans through progressive ideas and action.” On May

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\(^17\) Ibid.

\(^18\) Ibid.

\(^19\) Ibid.

\(^20\) Ibid.

\(^21\) Ibid.

\(^22\) Ibid.

\(^23\) Ibid.
17, 2014, the Center for American Progress submitted a commentary to HHS, suggesting a new management structure for the ACA. Its CEO would report directly to the President and the HHS Secretary, and be empowered to make all decisions or delegate them to the President and the Secretary. Secretary Burwell appointed Kevin Counihan the first Director & Marketplace CEO in August 2014. The Center for American Progress supports Media Matters and Health Care for America Now.

The founder of the Center was John Podesta. He was President Clinton’s White House chief of staff and also served the Obama White House, which he left in January 2015 to work on Hillary Rodham Clinton’s presidential campaign. Replacing John Podesta as president and CEO of the Center is Neera Tanden. She was a former aide to Bill Clinton and served as policy director for Hillary Clinton’s presidential campaign. She was also a senior adviser for health reform at HHS, advising Secretary Kathleen Sebelius and working on President Obama’s health reform team in the White House to pass the bill, according to her biography at the Center’s website, www.americanprogress.org.

Conclusions

We have yet to understand the full scope of the ACA. Its execution is in the hands of powerful, interlocking individuals and organizations, many having been involved in designing “healthcare reform” since the Clinton Administration. A central part of the transformation is compiling and tracking our most sensitive data, from health records and tax returns, which can now be used in making coercive decisions about our medical care, to help achieve the “progressive” social goals of this elite, powerful group.

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REFERENCES
