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Gingrich pushed for stimulus his clients could profit from

By Christopher Rowland, Globe Staff

WASHINGTON - Newt Gingrich seized the TV airwaves in 2009 to bash President Obama's stimulus package, calling it "entirely a pork-barrel bill" that would do little to solve the recession.

Later, in a Web video, the former House speaker stepped back from his blanket criticism. He explained that he strongly supported spending \$27 billion of stimulus funds to encourage doctors and hospitals to create electronic medical records for patients. Left unsaid was that the Gingrich Group, his consulting business in Washington, received large payments from medical technology companies that stand to profit from the federal money.

The contrast captures the contradictions Gingrich must grapple with as he seeks to maintain his position as front-runner in the GOP presidential primary contest. It also reinforced negative perceptions among some critics.

In debates, on [Fox News](#), and on the stump, he provides the potent, anti-Obama, anti-Washington rhetoric that conservatives crave. He is appealing to angry, libertarian-minded voters who seek less government influence in the lives of individuals and business. The result: He has soared in the polls.

But Gingrich also has spent the last decade using his clout and contacts to remain a major player in the culture he publicly reviles, plying the inside-the-Beltway influence trade at a high level.

One of his premier goals: encouraging doctors and hospitals to keep track of patients' health and medications on computers, a step Gingrich has likened to federal support for building the railroad and interstate highway systems. For the former speaker, the \$787 billion White House stimulus package provided a major opportunity.

"I applaud President Obama for insisting on that approach," he said in his Web video, in which he also supports \$100 billion in extra Medicaid stimulus money. The video does not appear alongside countless other images of him in his firm's website archives, but it remains on YouTube. The Gingrich campaign did not respond to repeated requests for comment.

Though not registered as a lobbyist, Gingrich has amassed an extensive roster of consulting clients who seek to win the favor of federal government. His businesses have received approximately \$55 million in client fees in the decade since he left the House,

according to a statement from his consulting office.

That includes up to \$1.8 million he was paid by the government-backed Freddie Mac mortgage company under a consulting contract, fees that have been seized upon by his chief rival, Mitt Romney, as evidence Gingrich is a creature of Washington. Gingrich and Freddie Mac have said he did not seek to influence members of Congress on specific policies.

“He was not a lobbyist,” said Freddie Mac spokesman Doug Duvall. “He was a consultant.”

Gingrich was retained to help “build bridges” to Congress and helped Freddie Mac develop talking points that would win conservative support for its mission, according to Bloomberg, which first reported on the size of the payments.

For his advocacy on health care, Gingrich created the Center for Health Transformation as a division of his consulting firm. The center receives annual “membership” payments from its clients ranging from \$20,000 to \$200,000. Gingrich's representatives have said he is not a lobbyist. Together with the Gingrich Group, the center has signed up about 300 clients. It will not reveal all of them, but a partial list it posted on the Internet shows payments from some of the biggest medical trade organizations, hospital groups, drug companies, insurers, and technology companies.

The Gingrich Group and Center for Health Transformation employ up to 30 people at offices in Washington, Atlanta, and St. Louis. The Washington office is housed on K Street along with the rest of the lobbying corps, near the White House. The Center for Health Transformation describes itself in the lofty language of a think-tank, even though it is a money-making business: a “non-partisan collaboration of leaders dedicated to the creation of a 21st Century intelligent health system.”

However it is described, the arrangement puts Gingrich in the position of pursuing a variety of health care policies that benefit his clients. His support of stimulus funds irked some Tea Party critics yesterday.

“I'm really tired of seeing Washington insiders take care of their friends and themselves, when the American people are being taken to the cleaners because that stimulus money is coming from us,” said Jerry DeLemus, a New Hampshire Tea Party activist who backs Michele Bachmann in the primary.

But others said they are willing to accept Gingrich's role as special-interest advocate.

“Newt has faults. They all have faults,” said Rick LeVasseur, a Gingrich supporter and member of the New Hampshire Republican State Committee. “Right now, I can't find a candidate for the most part who hasn't gotten somewhat involved in feathering their own nest.”

In the Republican-controlled House, lawmakers have targeted the \$27 billion for medical technology as part of proposals to repeal remaining stimulus funds.

“Newt Gingrich's approach to health care has never been free market,” said Michael Cannon, director of health policy studies at the libertarian Cato Institute, a nonprofit center in Washington. “A colleague of mine has joked that Newt has been in favor of socialized medicine, as long as it uses computers.”

The list of health care policies Gingrich backed includes greater use of Medicare HMOs, which generate profits for private insurance companies, and individual health savings accounts, which are managed by divisions of insurers.

A financial jump-start from the government for electronic records was essential, many economists contended, because the industry lacks incentives for physicians and hospitals to develop their systems. It is expected to benefit health care technology companies, including clients of Gingrich's center such as GE Healthcare. GE Healthcare said it pays the center to act as a “collaborator and facilitator” among a diverse group of interests.

Part of the Gingrich method has been to work in bipartisan fashion. He co-wrote columns with Democratic senators John F. Kerry of Massachusetts (calling for greater use of statistics to decide what treatments work best) and Sheldon Whitehouse of Rhode Island (lauding investment in health-care computers).

“He has been a strong, consistent supporter of health information technology as a foundational solution to our health care problems,” said Dr. David Blumenthal, a Harvard Medical School professor who served as Obama's coordinator of health care information technology until returning to Boston this year. “On this particular issue, I think he has been a leader.”