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Romney Aide Helps States Comply With Health Care Law

By [ROBERT PEAR](#)

WASHINGTON — If Republicans in Congress agree on anything, it is their desire to eradicate President Obama's [health care law](#). But one of the top advisers to [Mitt Romney](#), the party's likely presidential nominee, has spent the last two years advising states and private insurers on how to comply with the law.

The adviser, [Michael O. Leavitt](#), gets high marks from state officials and policy experts, who describe him as a pragmatist with a voracious appetite for information. But his work has caused consternation among some conservatives, who want states to resist the health care law.

Mr. Romney has named Mr. Leavitt — a longtime friend, former governor of Utah and former federal health secretary — to plan the transition for what both hope will be a Romney administration.

Mr. Leavitt's full-time job is running his consulting company, Leavitt Partners, which is based in Salt Lake City and has advised officials in Mississippi, New Mexico and Pennsylvania, among other states. He shows them how to set up [health insurance](#) exchanges and where low- and middle-income people and small businesses can buy subsidized private insurance from competing carriers. He has also helped states prepare for the influx of millions of low-income people into [Medicaid](#).

Mr. Leavitt represents one pole in a debate among Republicans. Some want nothing to do with the federal law. Others, like Mr. Leavitt, say it is better for states to take the initiative and set up exchanges rather than cede control to the federal government. Under the 2010 health care law, if a state does not set up and operate an exchange, the federal government will do so in the state.

"I understand why some of my fellow conservatives oppose the formation of insurance exchanges," Mr. Leavitt said. But, he added, "continued inaction by states risks an Obama-style federal exchange being foisted upon a state."

On the day after the Supreme Court upheld the health care law, more than 70 Republican members of Congress sent a letter to governors urging them to oppose the creation of state insurance exchanges.

Michael F. Cannon, director of health policy studies at the Cato Institute, said: “It is strange to see Mr. Leavitt, a former Republican governor and former secretary of health and human services, helping and encouraging states to carry out this law for which Republicans have so much antipathy. It deepens suspicion as to whether Romney is sufficiently committed to repealing the Obama health care law.”

Twila Brase, president of the Citizens’ Council for Health Freedom, a free market group that is mobilizing opposition to an exchange in Minnesota, said: “Mike Leavitt is an enabler of Obamacare. He has taken advantage of Obamacare to expand his own business, instead of helping governors resist a federal takeover of health care.”

Asked about such concerns, Ryan M. Williams, a spokesman for the Romney campaign, said: “When Governor Romney becomes president, his administration will work to completely repeal Obamacare. That is Governor Romney’s position, and it’s the only position that will count in a Romney administration.”

Mr. Leavitt’s work suggests how insurance exchanges might operate under a President Romney — with less federal regulation, more emphasis on free market principles, more choice for consumers and more latitude for states.

His company has 38 employees. In addition, he retains a team of outside experts who provide intelligence about trends in the financing and delivery of health care, facts and figures that inform his advice to clients.

Among the outside experts are several who served in the Obama administration. They include Dr. David Blumenthal, the former coordinator of health information technology for the federal government, and Joel S. Ario, former director of the federal office for insurance exchanges.

“Secretary Leavitt picks people for their substantive knowledge, not their political leanings,” Dr. Blumenthal said. “When we have discussions as a group, they are completely nonpartisan and nonideological. I am impressed.”

Aaron Sisk, a lawyer at the Mississippi Insurance Department, said Mr. Leavitt and his company had done “a great job for us.”

Cheryl Smith, a director at Leavitt Partners, pointed to Utah’s health insurance exchange as a possible model. It serves as “a market organizer, a market facilitator,” not a regulator or contracting agent, she said.

Mr. Leavitt has recommended that approach to governors. He chided those who were delaying action in the hope that the health care law would be repealed.

As Utah governor from 1993 to 2003, Mr. Leavitt championed states' rights and prerogatives. He pursued an ambitious health care agenda, including steps to expand coverage. He led a national campaign to revive respect for the Constitution's 10th Amendment, with its emphasis on powers "reserved to the states." Now, he says, he is trying to help states avoid a federal takeover of health insurance regulation.

It is better, he said, to have an exchange established "at the state level, in a way that matches the views, aspirations and needs of a state, than to have it done in Washington."

Natalie Gochnour, a spokeswoman for Leavitt Partners, said its work with states was only part of its business, but she refused to say how much the company had been paid for such work. "As a private organization, we don't publicly disclose our financial results," she said.

In meetings with state officials, Mr. Leavitt has often described the potential benefits of an insurance exchange run on free market principles.

"Exchanges are a very practical solution to a problem that needs to be solved," he said at a meeting of the National Governors Association in Salt Lake City last summer. "Governors must lead on health reform."

Mr. Leavitt was even more emphatic in a speech at the University of Minnesota in February. He said he opposed the Affordable Care Act and thought it should be repealed. Still, he said, Minnesota and other states should set up exchanges, which he described as "the logical way" to provide insurance to individuals and small businesses.

Daniel J. Schuyler, a director at Leavitt Partners, said that "exchanges have proven to reduce the number of uninsured."

"Regardless of your opinion of Obamacare, exchanges just make sense," he said in a blog post for the company.