
Why Hospitals Hire Tobacco Lobbyists

Conflicts of Interest Among Lobbyist Clients

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Research Question

- ✘ What explains seeming conflicts of interest among the clients of registered lobbyists?

- ✘ Previous research suggests:
 - + Conflicts occur often: hospitals regularly hire tobacco lobbyists (Goldstein and Bearman 1996).
 - + Multi-client lobbying is more prevalent than ever, so there is more potential for conflicts (Strickland and Crosson 2023).
 - + Conflicts may undermine representation of individual clients and magnify inequalities in influence.

Theory: acceptable levels of risks...

- ✘ Applying McMunigal (2001), not all conflicts pose actual harm to client interests.
 - + Some lobbyists can balance competing interests.
 - + Rather, clients weigh risks of harm with the benefits of hiring individual lobbyists.
 - + **Levels of risk acceptance vary by group type and political-legal context. (This is what we test.)**

Theory: acceptable levels of risks...

Hiring and Managing a Contract Lobbyist

It may be difficult for your chapter and its government relations committee to monitor legislative activity quickly or accurately enough to affect an issue's outcome. In addition, once a chapter has addressed an issue, it may not have the needed expertise to guide the legislation through the political process. **First, the chapter should have a legislative committee, or, at least, a designated member who is responsible for legislative issues. To best fulfill both the legislative functions of monitoring and lobbying, the ACRA recommends that chapters consider hiring a lobbyist or lobbying firm.**

- **Know the lobbyist's clientele.** It is fundamentally important to know the other clients of the lobbying firm. Some physicians' organizations have hired lobbyists who have represented interests such as the hospital association, **the tobacco growers** and the insurance industry. While some states have conflict-of-interest laws that prohibit such arrangements, some firms may not fully disclose those relationships. Ask to see a list of clients—not only those represented by your lobbyist, but also the client list for the entire firm. It is important to remember that a chapter may have conflicts with other groups on certain issues. A lobbyist that represents other physician organizations may not always be the best choice.

Find out who will be assigned specifically to work with your chapter. You may have selected your lobbyist on the basis of interviews or word of mouth or on the basis of that lobbyist's political acumen and reputation. Then you find out just a month into the contract that your lobbyist is working on another client's matters, and your issue has been sent to an associate. While some firms will allow you to only "hire the firm," you have a right to know who your representative will be and should feel comfortable with that individual before signing the contract.

Theory: acceptable levels of risks...

✘ Group type...

- + Membership groups and groups with donors have more to lose (i.e., members, donors) from harm than institutions
 - ✘ Among membership groups, purposive groups have more to lose than economic groups.
- + The “fact that [the lobbyist] represents a tobacco company, now that I am aware of it... will be problematic...” **(membership health group)**.
- + “We simply hire the [lobbyists] we feel that are most effective in carrying our message to the legislative bodies” **(health insurance group)**.

Theory: acceptable levels of risks...

- ✘ Political and legal context...
 - + Competition for personal access to legislators may increase risk acceptance.
 - + Reporting requirements may increase risk acceptance.
 - + Anti-conflict laws (requiring lobbyists to inform clients) may discourage conflicts directly.
 - + Possible interactive or multiplicative effects.

Original Data

- ✘ We measure how often healthcare groups hired lobbyists who also represented tobacco groups.
 - + Generally, a proxy for risk acceptance, but **not** proof of harm.
- ✘ American states have variation in group types and political contexts.
 - + All healthcare interests registered to lobby in 1989 or 2009 (or both): 9,745 interest-state-year observations.

Total Interests and Conflicts

Table 1: Healthcare and Tobacco Mobilization (State Data)

Period	Total States	Healthcare Interests	Healthcare Lobbyists	Tobacco Interests	Tobacco Lobbyists	Health Firms with Conflicts
c.1949	22	165	191	20	22	3
c.1959	26	292	420	16	17	0
c.1973	49	834	1,300	49	64	17
c.1989	49	3,067	4,607	219	396	296
c.1994	50	4,811	2,999	-	450	303
c.2009	50	6,689	9,430	290	821	850

Note: Some interests and lobbyists appeared in multiple states. Totals from 1994 taken from Goldstein and Bearman (1996) and Lowery, Gray, and Cluverius (2015).

Measurement

- ✘ Unit of analysis: group-state-year (n = 9745).
- ✘ Dep. var: number of tobacco lobbyists hired.
- ✘ Controls: total lobbyists (logged), total tobacco groups in state, state and year effects.
- ✘ Exp. vars: group type (occupational membership, advocacy membership, other); groups per legislator; anti-conflict law (0, 1), reporting requirements (0-7 scale).

Method

- ✘ Two negative-binomial regressions with robust errors predicting total tobacco lobbyists hired.
- ✘ Two zero-inflated regressions with robust errors with one variable (total tobacco groups) in zero-inflated logistic.
- ✘ All other specifications remain the same.

Intergroup Differences

Table 2: Tobacco Lobbyists Hired by Healthcare Interests

	Model 1: Negative Binomial	Model 2: Negative Binomial	Model 3: Zero Inflated	Model 4: Zero Inflated
<i>Group-level variables:</i>				
Occupational Group	-0.055 (0.073)	-0.058 (0.073)	-0.041 (0.056)	-0.042 (0.056)
Advocacy Group	-0.612*** (0.138)	-0.611*** (0.137)	-0.308** (0.127)	-0.303** (0.127)
ln(Lobbyists)	1.371*** (0.042)	1.367*** (0.042)	1.009*** (0.047)	1.004*** (0.047)

Interstate Differences

	Model 1: Negative Binomial	Model 2: Negative Binomial	Model 3: Zero Inflated	Model 4: Zero Inflated
<i>State-level variables:</i>				
Competition	0.078** (0.031)	0.207*** (0.071)	0.049 (0.030)	0.188*** (0.068)
Anti-conflict Law	-1.247*** (0.408)	-1.261** (0.547)	-1.183*** (0.373)	-0.910*** (0.325)
Lobby Reports	0.152*** (0.056)	0.249*** (0.078)	0.126*** (0.046)	0.228*** (0.067)
Competition*Anti-conflict	-	0.035 (0.040)	-	0.028 (0.027)
Competition*Reports	-	-0.026** (0.013)	-	-0.028** (0.012)
Tobacco Groups	0.168*** (0.029)	0.174*** (0.032)	-	-
Firm Registration	-0.247 (0.260)	0.272 (0.389)	0.649*** (0.249)	1.148*** (0.372)

Checking for Confounders

- ✘ However, Goldstein and Bearman (1996) found that all tobacco lobbyists were multi-client lobbyists...
 - + Givel and Glantz (2001) found they were paid well...
- ✘ So, do groups merely hire tobacco lobbyists “by accident” when they hire multi-client lobbyists and pay them well? Do intergroup differences remain?
- ✘ Using 2018 data from five states, I control for multi-client lobbyist numbers and pay levels.
 - + Also examine tobacco hiring among non-health groups.

Table 4: Tobacco Lobbyists Hired in Five States, 2018

	Model 1: Negative Binomial	Model 2: Negative Binomial	Model 3: Negative Binomial	Model 4: Negative Binomial
Occupational Group				
Advocacy Group				
Healthcare Group				
Health Institution				
Health Occupational				
Health Advocacy				
$\ln(\text{Lobbyists})$				
Multi-client Lobbyists				
Total Compensation				
Constant				
$\ln(\alpha)$				
Log pseudolikelihood	-320.858	-319.833	-2057.932	-2054.738
Observations	593	593	3,537	3,537

Note: state effects included in all models but not reported. Robust standard errors in parentheses. * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$, two-tailed tests.

Summary of Findings

- ✘ Persistent support for intergroup differences among healthcare interests: health advocacy groups avoid tobacco lobbyists.
- ✘ Support for interstate differences: crowded group environments encourage risky hiring, anti-conflict laws discourage conflicts, and reporting encourages risk.
 - + Possible interaction between crowdedness and reporting.

Implications

- ✘ Despite decline of tobacco use and 1998 Master Settlement, tobacco lobbyists now more numerous and embedded than ever (conflicts more frequent).
- ✘ Although groups try to minimize risk of harm (i.e., shirking), many accept risk because they face seemingly minimal consequences.
 - + **True costs to group of lobbyist shirking are unknown but may be quite large. (Agent lobbies *against* you.)**
- ✘ Hence, large assemblies and anti-conflict laws may improve representation of interests generally.

Table 3: Lobbyist Compensation in Five States, 2018

	Total Groups	Average Lobbyists	Average Tobacco	Average Multi-client	Avg. Total Compensation
Healthcare	593	2.577	0.263	2.084	41,015.72
Institutions	378	2.651	0.312	2.003	48,680.80
Occupational	135	2.585	0.244	2.296	30,958.96
Advocacy	80	2.213	0.063	1.475	21,768.97
Non-healthcare	2,944	2.076	0.309	1.956	31,758.26
Institutions	2,190	2.494	0.359	2.114	34,521.48
Occupational	379	1.971	0.179	1.509	34,613.97
Advocacy	375	2.373	0.149	1.480	21,117.87
All Groups	3,537	2.439	0.302	1.977	33,310.33

Note: Compensation presented in 2018 U.S. dollars.