

## **Powers of persuasion: Lora Pellegrini**

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Lora Pellegrini sat in court last Thursday, anxiously waiting to hear if a judge would temporarily reinstate new health insurance premiums that had been rejected by the Division of Insurance for five of her member health insurers. Potentially, hundreds of millions of dollars hung in the balance. On Monday, the judge ruled against her.

The whirlwind week capped a two-year roller-coaster ride for Pellegrini, the president of the Massachusetts Association of Health Plans. It included nine months as a senior intergovernmental liaison for Gov. Deval Patrick — not an easy job in an administration known for its rocky relationship with the state legislature. She said she left “because it wasn’t what I thought it would be,” and landed at the MAHP as a vice president in October. Two weeks later, then-president Mary Lou Buyse announced that she was leaving for a leadership role at a health plan in Texas, and Pellegrini became first acting president. Today, she is the president of the organization, which includes every major commercial health plan in the state, except for Blue Cross Blue Shield of Massachusetts.



“They like to act on their own sometimes,” she said.

But not this time.

The health plans were put on notice in February when Patrick announced he would direct the DOI to use existing authority to review and potentially reject small business health insurance rates deemed “excessive.” On April 1, the DOI did reject most of those rates, and Pellegrini, along with Blue Cross, quickly launched a lawsuit, arguing that the DOI has no authority to cap rates and has a responsibility to maintain the solvency of the plans, which would be in jeopardy. The plans argued they would lose hundreds of millions in the next eight months without the rate increase.

Pellegrini now finds herself fighting a war on three fronts: legal, executive and legislative. The lawsuit continues, albeit on a slower timetable, as the judge denied a motion for an expedited trial. She’ll also support the plans’ appeals at the DOI. And she plans to keep pushing for a bill on Beacon Hill that would lower premiums by tying provider reimbursement rates to Medicare rates. She says it could cut rates by more than 20 percent for small businesses.

“It would also help to level the playing field for providers, correcting the market clout of certain hospitals and physician groups,” she said. Critics say it just shifts the rate cap from the insurers

to doctors and hospitals. Even the sponsors say a bill targeting the provider community is unlikely to pass in an election year.

But don't count out Pellegrini's powers of persuasion. She said she developed her political skills, and overcame an early shy streak as a teenager in Attleboro, by working at a Friendly's-type restaurant called Bliss Brothers Dairy.

"So much of what I do in this job is talking to people from all walks of life," she said

Right out of college she began working on campaigns, starting with a failed state senate campaign, and moving on to work for the 1984 campaign of now-U.S. Sen. John Kerry. She then worked as a young staffer in the Dukakis administration, rising to the post of assistant legislative director. She said she was in that Atlanta hotel room when Dukakis won the Democratic Presidential nomination in 1988. "(Mike Dukakis) always wanted the young people to be in the room, to be in on the action," she said.

She received her law degree in 1990, and while she was asked to stay on Beacon Hill by the incoming Weld administration, she moved on, relocating to Texas for six years.

When she returned to Massachusetts, she was tapped by Harvard Pilgrim Health Plan.

"Harvard Pilgrim had never had a government affairs director before. Think about that now, health plans are so front and center, it's hard to imagine not having that department," she said.

It was there that she got to know Jon Kingsdale, executive director of the Massachusetts Health Connector, who was, at the time, working in a government relations role at Tufts Health Plan.

Kingsdale said it can be a challenge to work in a high-profile position in an industry that doesn't always have the most favorable public image. But he said she's up to it.

"There are in fact a lot of good people who work for health plans. She's a lovely combination of aggressive and personable, and she's willing to take risks," Kingsdale said.

Two years after she arrived at Harvard Pilgrim, Charlie Baker took over as CEO of Harvard Pilgrim. She was anxious that he might sweep her, a well-known Democrat, out to make room for some of his own aides. But her fears were unfounded; Baker promoted Pellegrini several times, eventually to vice president.

"I have to say that I really flourished under Charlie. He really inspires people to be their best," Pellegrini said.

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