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**NEW REPORT: \$215 MILLION WISCONSIN TAX DOLLARS WASTED
IN MEDICARE “PRIVATIZATION SCHEME”**

***-- Local Taxpayers Call on Sens. Kohl & Feingold and Rep. Ron Kind
to end insurance company subsidies --***

July 12 – Wisconsin taxpayers are padding the pockets of insurance companies to the tune of \$215 million through “Medicare Advantage” programs, according to a report released today. Community leaders in La Crosse said the giveaway amounts to Medicare privatization and called on Senators Herb Kohl and Russ Feingold and Rep. Ron Kind to end taxpayer subsidies for big insurance companies.

The report, entitled “*Privatized Medicare: Why ‘Medicare Advantage’ is the Wrong Prescription – and How Wisconsin Taxpayers Can Stop Footing the Bill,*” was compiled by the U.S. Action Education Fund.

The Burden to Wisconsin Taxpayers

According to the report, private “Medicare Advantage” plans in Wisconsin cost an average \$1,533, or 23.2% more per enrollee than traditional Medicare – almost double the national average. In all, Wisconsin taxpayers are paying \$215 million to the insurance industry to cover these additional and unnecessary costs.

“As insurance companies lure more Wisconsin seniors into these plans, their profits grow from subsidies courtesy of taxpayers and Medicare,” said Mary Von Ruden, a board member with AFSCME Council 40. “We’re asking Senators Kohl and Feingold and Congressman Kind to end this privatization scheme.”

Traditional Medicare beneficiaries are also paying more to the insurance industry. Wisconsin Medicare Part B premiums have increased \$24 per person per year to pay for the private plan option. In all, roughly 526,000 seniors and people with disabilities are paying a total of more than \$12.6 million in additional Part B premiums to subsidize private Medicare plans.

Medicare Advantage = Medicare Privatization

According to the report, “Medicare Advantage” was first introduced in the 1980s as a way to encourage negotiations between insurance companies and Medicare beneficiaries. But in 2003, President Bush and the Republican majorities in Congress approved billions to help insurance companies market and administer their plans to seniors.

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Critics fear the ballooning subsidies to insurance companies will force cuts in Medicare benefits and shift more costs onto beneficiaries. In addition, the private plans often limit choices for beneficiaries and frequently change benefit packages.

“Medicare is supposed to protect Wisconsin’s seniors when we get sick – not create a boondoggle for the insurance industry at the expense of taxpayers,” said Judi Moseley. “We should keep Medicare strong, not pad the profits of private insurance companies.”

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