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Contact: Tiffany Ricci
202-429-1145

**NEW REPORT: \$15 MILLION MONTANA TAX DOLLARS WASTED
IN MEDICARE “PRIVATIZATION SCHEME”**

***-- Local Taxpayers Call on Sens. Baucus & Tester and Rep. Rehberg
to end insurance company subsidies --***

July 13 – Montana taxpayers are padding the pockets of insurance companies to the tune of \$15 million through “Medicare Advantage” programs, according to a report released today. Community leaders in Montana said the giveaway amounts to Medicare privatization and called on Senators Max Baucus and Jon Tester and Rep. Rehberg to end taxpayer subsidies for big insurance companies.

The report, entitled “*Privatized Medicare: Why ‘Medicare Advantage’ is the Wrong Prescription – and How Montanans 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 Montana cost an average \$977, or 14.3% more per enrollee than traditional Medicare. In all, Montana taxpayers are paying \$15 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 Don Kinman, Executive Director of Montana Council 9. “We’re asking Senators Baucus and Tester and Congressman Rehberg to end this privatization scheme.”

Traditional Medicare beneficiaries are also paying more to the insurance industry. Montana Medicare Part B premiums have increased \$24 per person per year to pay for the private plan option. In all, roughly 113,000 Montana seniors and people with disabilities are paying a total of more than \$2.7 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 Montana’s seniors when we get sick – not create a boondoggle for the insurance industry at the expense of taxpayers,” said Betty Beverly, National Committee to Preserve Social Security and Medicare. “We should keep Medicare strong, not pad the profits of private insurance companies.”

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