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Florida Consumer Action Network report: Medicare privatization has wasted millions of Florida dollars

***Wasteful spending enriches health industry CEOs at the expense of
taxpayers and beneficiaries***

Tampa, FL—A privatized Medicare plan involving nearly 20 percent of all Medicare beneficiaries is costing seniors and other Florida taxpayers millions in corporate handouts and threatening Medicare's ability to care for its 47 million beneficiaries, according to an analysis released Tuesday by Florida Consumer Action Network.

"When President Bush tried to privatize Social Security in 2005, Florida Consumer Action Network led the resistance in Florida," said Bill Newton, Executive Director. "Now Medicare is headed down a similar path, and Representative Bilirakis needs to join his colleagues in Congress who are committed to ensuring that our public health care funds go toward people's health care, not into health industry CEOs' wallets."

The privatization mechanism, known as Medicare Advantage, was developed under the mistaken assumption that private insurers could provide the same services as Medicare at a lower cost. But like all privatization schemes, the reverse was true. Costs have gone up, and, in many cases, services have disappeared.

The analysis, prepared by USAction Education Fund for release by Florida Consumer Action Network, found an average overpayment for Medicare Advantage enrollees in Florida of 4.2 percent. This means it costs \$343 more per year for every person enrolled in an MA than it would cost to provide care for that person in traditional Medicare. Based on January 2007 enrollment in MA plans, this amounts to an overpayment of \$265 million to private plans for Florida alone. The nonpartisan Congressional Budget Office has found that, nationwide, the average beneficiary overpays by 12 percent.

Florida Consumer Action Network, other USAction affiliates and a diverse coalition of organizations representing beneficiaries, service providers and health care administrators are united in calling on Congress to reverse the privatization of Medicare.

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USAction and our affiliates in 24 states connect issues to elections and policy to politics. We seek to take our democracy back from the corporate elite and the well-heeled special interests that dominate the

political process today – because we believe that government has a critical role to play in ensuring liberty and justice for all. Florida Consumer Action Network is USAction’s Florida affiliate.