

**For Immediate Release:**

Albany, New York  
September 10, 2008



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## **Consumers Pay High Price for Health Insurance Industry Campaign Contributions, Says New Report**

**Citizen Action calls for public funding of campaigns as the only way to protect consumers from the grip of industry campaign contributors on state policy**

**Albany** -- Citizen Action of New York released a new report today finding that the Republican State Senate majority received more than three times the health insurance industry campaign donations as the Democratic Assembly majority in the 2003-2007 period, while the same Senators failed to pass legislation to regulate health insurance rates. Citizen Action called on all New York State Senate candidates to support "Clean Elections" public funding of campaigns to protect consumers from the grip of health industry contributors on state policy.

"All New Yorkers and New York businesses that pay health insurance premiums are paying out of their pockets for the high price of the current 'pay-to-play' campaign finance system," said Karen Scharff, Citizen Action Executive Director. "That's why it's high time for all State Senate candidates to support Clean Elections. Until we change the system, consumers will pay the price."

"Our report found that the State Senate Republicans are the major beneficiaries of health insurance industry campaign contributions," said Jessica Wisneski, Campaigns Director of Citizen Action. "This addiction to industry campaign dollars explains why the State Senate has failed to act on legislation to rein in high health insurance rates, and to establish a Clean Elections, full public financing of elections system. As a result of the cozy relationship of the Senate Republicans to corporate dollars, consumers are paying a high price in higher health insurance rates, inability to afford health insurance, and poorer health outcomes."

The report, called: "*The High Cost of 'Pay-to-Play': Health Insurance Contributions Drive Up Insurance Rates*," finds that legislators from both parties and their campaign committees received a total of \$899,175 from health insurance interests from January 1, 2003 to December 31, 2007. Meantime, health insurance profits and insurance premiums have been skyrocketing. A bill to regulate the rising cost of health insurance premiums (A.7485, Bradley/S.2740, DeFrancisco) has passed in the Assembly every year from 1998 to 2006, but the Senate Republican majority has refused to allow the bill out of the Senate Insurance Committee.

The report found that health insurance interests gave campaign contributions strategically, to influence legislation that affects their industry. Specifically:

- ✓ The Senate Republicans received more than three times the amount that Assembly Democrats received (\$618,152 vs. \$177,798).
- ✓ In each house, the majority conferences (Senate Republicans, Assembly Democrats) received several times what the minority conference received.

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- ✓ Senate Republicans were the top 6 legislative recipients of health insurer campaign cash.
- ✓ Former Senate majority leader Joseph Bruno -- number 3 on the list of recipients of industry cash -- received over 5 times as much as Assembly Speaker Sheldon Silver (\$55,500 vs. \$9,990), who was 10<sup>th</sup>.
- ✓ The Senate Republican Campaign Committee received nearly 6 times as much as the Democratic Senate Campaign Committee.

“Our report suggests that health insurance company campaign contributions explain why rate regulation and other important health insurance consumer protections are not passing the Legislature,” said Scharff. “We are tired of wondering what matters more, the donors or the voters. New York State must follow in the footsteps of Connecticut and pass Clean Elections, a voluntary system of full public financing.”

Clean Elections is a voluntary option to the current privately funded campaign finance system, similar to those now being used by candidates in Connecticut, Maine, Arizona and North Carolina. Full public financing of elections would allow candidates to run for office without the undue influence of large, wealthy corporate campaign donors who currently fund political campaigns. Candidates first must qualify by collecting a set amount of small contributions from voters in their district. Once qualified, candidates agree not to raise or spend any private money and to strict spending limits and are given a fixed amount of public funds to run their campaigns. The law also makes additional funds available to publicly funded candidates that are being heavily outspent by opponents or outside organizations.

In 2008, the Assembly passed A.11507, which would create a strong public funding system that would give candidates four public dollars for every dollar raised in contributions of \$250 or less from New York State residents. Democratic Minority Leader Malcolm Smith of Queens has introduced a full public funding bill in the State Senate (S.7175A) with 17 co-sponsors. The bill is modeled on a law passed by Connecticut in 2005 that the New York Times called “an instant model for other statehouses.”

Citizen Action is a statewide membership organization that fights for social, economic, racial and environmental justice. The full report is available at: [www.citizenactionny.org](http://www.citizenactionny.org).