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## PRESS RELEASE

### POLICY PAYBACKS FOR HEALTH CARE CONTRIBUTORS

#### New Report Shows Public Health Endangered by Campaign Contributions but Maine's Clean Election System has Reduced that Impact Here

Washington, DC and Portland, ME -- Health care related interests have poured more than \$163 million into federal political campaigns and party coffers since 1999 and have reaped huge policy paybacks that are harmful to ordinary people's health, according to a new investigative report by Public Campaign, **PAYBACKS: How the White House and Congress are Neglecting Our Health Care Because of Their Corporate Contributors**. However, while campaign contributions impact health policy around the nation, Maine is less affected by these influences due to its Maine Clean Election Act which provides public funding for candidates who refuse money from special interests.

The 47-page report provides the most comprehensive examination to date of how campaign contributors are skewing public policy on a wide range of health care issues, including health insurance coverage, availability and affordability of prescription drugs, safety of the food supply, and tobacco use. Relying on detailed analyses of campaign finance data, the report shows how health care interests have strategically directed contributions to the Bush Administration and the Members of Congress who have the most power over health care issues; as well as pushing for industry-friendly appointments in key agency positions.

The report demonstrates how wealthy health care interests shifted their campaign contributions to Republicans ten years ago after defeating health care reform proposed by President Bill Clinton. With the Republican takeover of Congress in 1994, health care interests upped their investments in the GOP; for example, pharmaceutical manufacturers increased their contributions to Republicans nearly 600% from 1992 to 2002, while contributions to Democrats increased just 79%. Late last year, Congress and President Bush approved a \$534 billion Medicare law that offers inadequate benefits and is larded with giveaways to campaign contributors.

Numerous Democrats responsive to the industry over public health also reap ample campaign money. For example, Rep. Charles W. Stenholm (D-TX), the lead House recipient of meat and food processing industry contributions, has opposed "country-of-origin" labeling legislation requiring labeling of meat, fish, fruits, vegetables, and peanuts, and has criticized the USDA's new regulations banning "downer" cattle from the food supply as a way of protecting consumers from mad cow disease.

This clever investment strategy has yielded huge returns for industry in the form of policy giveaways granted by the Administration and by Congress. The report presents four case studies in how health-related campaign contributors are getting policy paybacks at great public cost: 1. health insurance/HMOs; 2. pharmaceutical manufacturers; 3. meat and food processing industries; and 4. the tobacco industry.

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“The bottom line is that, thanks to our pay-to-play political system, people are getting hurt. They’re getting sick more often, paying higher prices for prescription drugs, eating unsafe food, and are dying earlier than they otherwise would,” said Nancy Watzman, author of the report and Research and Investigative Projects Director for Public Campaign.

Each case study includes several examples of how these industries get what they want out of Washington, from higher prices for prescription drugs to lax regulation of the meat processing industry in the face of mad cow disease. There are pullouts on the connections between Bush Administration fundraisers and personnel; charts showing contributions to Members of Congress and actions they have taken on behalf of industry; and charts showing the correlation of campaign contributions with votes in Congress.

**“In contrast, in Maine and Arizona, where Clean Money, Clean Elections systems have given candidates the opportunity to win office without the largesse of private donors, we are seeing signs of health,”** said Nick Nyhart, Executive Director of Public Campaign. **“Lawmakers in both states have approved reforms that are increasing the availability of low-cost prescription drugs.”**

**In January 2004, Maine's new prescription drug program, Maine Rx+, went into effect. Under this program, all but the wealthiest families in Maine, and anyone with high drug costs, will be able to buy any drug on the Medicaid list for the Medicaid price, saving as much as 60% off market prices. The state is also negotiating for price rebates from drug manufacturers. If a company refuses, Maine will require doctors to get prior approval before prescribing that company's medication. The state also recently passed laws requiring prescription drug manufacturers to disclose how much they spend advertising their products in Maine and requiring retail prices on receipts to show the actual costs of drugs.**

**Senate Majority Leader Sharon Treat gives three reasons for the passage of Maine's far-reaching prescription drug plan, which she has been fighting to implement and expand. First, because Maine's districts are small, "campaigning is hugely grassroots oriented." She adds, "because of campaign finance reform, we're spending more time door to door, rather than fundraising." She continues, "that means you're out there hearing from people about what they care about—health care and prescription drugs, especially the prices." All its legislators "get very direct contact with the public" when they campaign, "and the public is desperate." A second reason is that severe budget pressures are prompting legislators to reduce Medicaid costs by limiting drug prices. "And the third reason is campaign contributions. Look at how much money the pharmaceutical companies have given to people running for Congress. In Maine, campaigns for state office are largely publicly funded, so you don't see that same level of direct contributions from the pharmaceutical industry to state legislators."**

**Jon Bartholomew of the Maine Citizen Leadership Fund noted that the Clean Elections fund that provides the resources for Maine legislative candidates to run without special interest money is at risk of being depleted. In the last three years, \$6.75 million has been taken from the Clean Elections fund to be redistributed to other programs. “If we are to make sure we continue to reduce the influence of big business on health care policy, we need to restore those funds and prevent further depletion,” said Bartholomew. “Even in these trying budget times, we can’t afford not to have Clean Elections.”**

**“Health care costs are skyrocketing—and it’s no wonder,”** said Jeff Blum, Executive Director of USAction. **“Our health care policies favor profit over people. How can we achieve health care for all when our elected officials are indebted to giant HMOs, pharmaceutical, and insurance companies?”**

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The comments were echoed by Roger Hickey, Co-Director of Campaign for America's Future: "This report shows what is becoming common knowledge across America—HMOs and drug companies invested millions in politicians and got a return worth BILLIONS with the passage of the new Medicare law. Seniors will still pay more for prescriptions while campaign contributors get to cash in."

Public Campaign is a non-profit, non-partisan organization dedicated to sweeping reform that aims to dramatically reduce the role of special interest money in America's elections and the influence of big contributors in American politics.

To download a PDF version of the full report visit

[http://www.publiccampaign.org/healthcarepaybacks/healthcare\\_paybacks\\_report.pdf](http://www.publiccampaign.org/healthcarepaybacks/healthcare_paybacks_report.pdf) or email [rbielke@publiccampaign.org](mailto:rbielke@publiccampaign.org) to request a hard copy of the study.

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