



**PRESS RELEASE
FOR IMMEDIATE RELEASE**

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Medical College of Wisconsin Falls Short in Stewardship of Public Funds

Madison, WI – ABC for Health (ABC), a non-profit, public interest law firm and frequent watchdog of the Blue Cross Blue Shield conversion funds, identified continued failures in the stewardship responsibilities of the Medical College of Wisconsin. “We reviewed the ‘Advancing a Healthier Wisconsin’ Annual Report and reconfirmed many of the same problems raised by the Legislative Audit Bureau in a 2010 Report and by community groups, including ABC. They just don’t get it and refuse to change policies,” says Bobby Peterson, public interest attorney and Executive Director of ABC. In a letter sent to the Wisconsin United for Health Foundation Board of Directors, ABC identified that many research projects funded by this “conversion fund” are not Wisconsin-specific, support core medical school functions, and are supplanting of other funding sources. “We are not arguing with the quality of work or research from this private academic institution. However, these are public funds from the people of Wisconsin charged with a particular purpose,” says Peterson. (See the Audit Bureau Report: <http://legis.wisconsin.gov/lab/reports/10-6full.pdf>.)

ABC has criticized the lack oversight of the more than \$600 million in public funds entrusted to Wisconsin’s two medical schools for the express purpose of supporting public health in Wisconsin. “The conversion funds belong to the people of Wisconsin,” says Peterson. In fact, the Legislative Audit Bureau Report suggests the medical schools periodically used the funds to benefit their own institutions, rather than the public’s health. The Report points out these core medical school expenses do not directly relate to Wisconsin’s public health and these expenditures appear to supplant the medical school’s normal operating budget.”

A hot button issue for many community groups has been the allocation of these funds for medical education and research at a higher percentage than public health initiatives. The Annual Report indicates that Advancing a Healthier Wisconsin “reviewed and assessed the allocation percentage, and unanimously agreed to maintain the allocation of 35% for public health initiatives and 65% for medical education and research.” Incredibly, over the past decade, the 35/65 split has not changed, despite an increase in the fund amount, other funding that is newly available, and despite evolving threats to the public health of Wisconsin. Finally, the Medical College cut public health grant budgets by 10% to 30% during the fiscal year ended June 30, 2009. During this time of financial difficulty, these cuts were devastating for community public-health projects. In this same time period, other foundations, including the Gates Foundation, took the opposite approach and increased funds for grantees because of the promising nature of their work and the dire needs of the people those grants helped serve in an economic downturn. Peterson concludes, “As a steward of public funds, the Medical College can ultimately maintain Wisconsin’s public health while still protecting their endowment. The health of the people of Wisconsin should be at the forefront of its financial decision making.”

The Wisconsin United for Health Foundation (WUHF) will meet in **Milwaukee on September 30 at 10:00am at the Crowne Plaza Milwaukee-Wauwatosa** to discuss the MCW Annual Report.

ABC for Health, Inc. is a Wisconsin-based, nonprofit, public interest law firm dedicated to linking children and families, particularly those with special health care needs, to health care benefits and services. ABC for Health’s mission is to provide information, advocacy tools, legal services and expert support needed to obtain, maintain, and finance health care coverage and services.