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**PRESS RELEASE
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The Wisconsin Public Health Council Reacts to BCBS Conversion Fund Distribution

Madison, WI – The Wisconsin Public Health Council focused much needed attention on issues raised by the Wisconsin Legislative Audit Bureau’s report on Wisconsin’s medical schools use of Blue Cross Blue Shield (BCBS) Conversion funds. “ABC for Health applauds the Council for raising important questions and requesting the appropriate oversight, stewardship and equitable distribution of \$600 million in public health money,” said Bobby Peterson, public interest attorney and Executive Director of ABC for Health, Inc (ABC).

At the December 10, 2010 meeting of the Council, public health leaders from across Wisconsin discussed the administration and oversight of the BCBS conversion funds. The Legislative Audit Bureau scrutinized the oversight of these funds earlier this year when an annual audit raised concerns about the funds’ management. The LAB report questioned whether the medical schools, who oversee the conversion funds as the result of a 2000 Insurance Commissioner Order, were spending the funds as the Order intended.

“The original intent of the Insurance Commissioner’s Order was that the BCBS conversion funds would support advances in Wisconsin’s public health,” says Peterson. “Over the years, we’ve raised concerns about conflicts of interest, supplanting, self dealing, and misdirection of funds. The LAB report echoed our past concerns, and now the Public Health Council asks the trustees of this fund to focus on the highest and best use and distribution of the money for the people of Wisconsin,” continues Peterson.

ABC for Health produced a webcast response and reaction to the Public Health Council recommendations available to the media and the public at this link:

<http://96.60.62.171/mediasiteabc/Viewer/?peid=b5c7414e521143fab22a82c5f601a05a>

The first of four recommendations adopted by the Public Health Council asks Wisconsin’s two medical schools to provide equity in the distribution of funds between “public health” and “medical education and research.” The original Order allocated 35% of funds to public health initiatives and 65% to medical education and research. Over the past decade, the “35/65” split has not changed, despite an increase in the fund amount and other funding that is newly available. The allocation has also not changed in light of evolving threats to the public health of Wisconsin. The Public Health Council disagrees with this inequitable distribution and recommends an adjustment to at least a 50/50 distribution.



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The second recommendation adopted by the Public Health Council asks the medical schools to eliminate the requirement that a faculty member be a part of every grant distributed from the public health funds to community groups. Currently the medical schools spend a substantial portion of public health grants for internal projects and staff support. “This money is supposed to directly help the people of Wisconsin through public health initiatives,” noted Peterson. “We commend the Council for wisely pressing the medical schools lift their requirement that a faculty member be involved in all funded public health projects.”

Peterson continued, “We see the Medical Schools keeping 65% of a fund for themselves, and then falsely designating 35% to the community, and instead clawing back one-third of the 35%? The emphasis needs to be on supporting funding in our communities.” Peterson concludes, “We must hold the Medical Schools accountable to the people of Wisconsin. The Public Health Council did good work toward achieving that end.”

ABC for Health 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.

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