



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

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## MEMORANDUM

To: Reporters and Editors  
Re: “Giveaway” to insurance companies  
Da: Tuesday, Jan. 24, 2006

Sen. Chuck Grassley, chairman of the Committee on Finance, today made the following comment in response to an announcement by two Democratic members – a senator and a House member – that they will try to rescind a “giveaway” to insurance companies in the budget reconciliation spending bill if the bill moves forward.

“I appreciate the interest in fixing a ‘giveaway’ to insurance companies. The conference report cuts Medicare payments to insurance companies by \$6.5 billion over five years. Even more important, it rescinds the policy leading to those extra Medicare payments. The change is supposed to make sure that a part of the payment formula to plans, called risk adjustment, is fully implemented. It’s a change that makes sense. Beyond that, I’m happy to work with my colleagues on legislation to cut other overpayments made by Medicare and Medicaid.”