

Melinn: Accident Fund power plant deal no accident?

Contributed by Kyle Melinn
Wednesday, 05 December 2007

A week after The Accident Fund pledged to turn Lansing's abandoned downtown power plant into its national headquarters as part of a whopping \$182 million investment, officials of the Blue Cross/Blue Shield of Michigan subsidiary were in front of the Michigan House Insurance Committee.

They asked lawmakers to OK bills introduced six days prior to allow The Accident Fund to sell health insurance. One of the four Blue Cross bills removed the barriers that keep the for-profit subsidiary of not-for-profit Blue Cross limited to selling workers' compensation, disability and automobile insurance.

Blue Cross, a tax-exempt entity, argued the individual market has taken off in recent years and Michigan consumers need another option in the field. For-profit insurers disagreed, saying if Michigan's health insurance behemoth was able to stretch another tentacle into the market, it would gobble up more than the 70 percent of the health insurance market it already controls.

The committee moved the complex bills to the House floor in just under three hours. On Oct. 24, a week later, this complex package — that arguably may remove Blue Cross' obligation to be the state's insurer of last resort but definitely will change the Michigan's health insurance landscape — blew through the House, completing a ramrod job in which the Legislature completely abdicated its responsibility to give major policy change due diligence.

After the vote, some legislators even confessed to MIRS newsletter that they had less than a firm grasp on what they had just done and expressed hope that the Senate would iron out any wrinkles that may exist with legislation. The bills are sitting in the Senate, where they are expected to be more properly vetted.

Was The Accident Fund's major economic development announcement timed to rub up to its push for state law changes pure coincidence? According to Blue Cross officials, the answer is yes. The Ottawa Street Power Station project is just a continuation of downtown revitalization projects already done in Detroit and Grand Rapids.

Coincidence or not, one thing is for sure: Blue Cross has had the skids greased in the Legislature for years, renovation projects or not.

No single organization in Michigan throws as much money around the state Capitol as Blue Cross/Blue Shield. No single entity has as much political clout — the ability to get whatever it wants when it wants it — as Blue Cross/Blue Shield.

Blue Cross' political action committee, fed directly by employee payroll deductions, has given money to at least 85 percent of all sitting state legislators this year alone, including at least \$1,000 a piece to all but four of the 38 state senators and all but 18 of the 110 House members.

The donations are interesting, too, when you consider that of the 35 senators who have taken at least something from Blue Cross this year (one member received only \$500), only eight can even run for the Senate again under the state's term limit law. Of the three state senators left off this year's list, all received at least \$4,500 in 2005-'06.

At some point in their political careers, every single member of the Michigan Legislature has taken some money from the bountiful Blue Cross/Blue Shield PAC. Every single one.

According to the Michigan Campaign Finance Network, the Blue Cross/Blue Shield PAC was the state's 13th largest PAC at \$870,000.

Blue Cross is unique among the big PACs in that it gives to everybody, as long as you're a winner.

Republican, Democrat, the Blue Cross PAC doesn't discriminate. In 2005-'06, Blue Cross gave \$40,000 to the House Republican Campaign Committee and another \$40,000 to the Senate Campaign Committee because both were in the majority at the time. The House Democrats received \$36,000 and the Senate Democrats \$31,000. I could only find two instances last year where Blue Cross gave money to non-incumbent legislators who didn't end up winning.

This year, the House Speaker Andy Dillon's PAC has received \$8,500 already from Blue Cross, \$5,000 of it coming a month before the vote on The Accident Fund bills. The House Republican Campaign Committee saw a \$10,000 Blue Cross PAC check on Oct. 17, the exact day The Accident Fund bills shot out of committee.

Can a direct quid pro quo ever be proven? Probably not, assuming one ever existed.

Maybe a better question is this: When you're Blue Cross, with its well-established good name, ample political PAC and reputation for revitalizing downtowns with headquarter projects, do you really need one?

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