

Republican Party of Wisconsin: Senator Baldwin continues dishonest defense of the status quo on healthcare reform

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Contact:

Alec Zimmerman
(608) 257-4765

[Madison, WI]— Senator Tammy Baldwin's streak of dishonesty continues. A *Politifact Wisconsin* review of Senator Baldwin's recent tweets on Republican replacement plans for the Obamacare disaster shows that the senator's message is mostly false. Rather than work on real reforms for hardworking Wisconsin families, Senator Tammy Baldwin will say anything to defend the Washington status quo. Read the *Politifact Wisconsin* analysis below or online [here](#).

Would 'Trumpcare,' the GOP replacement for Obamacare, allow insurance executives to 'make millions'?

Politifact Wisconsin

Tom Kertscher

March 13, 2017

U.S. Sen. Tammy Baldwin greeted the Obamacare replacement bill — she calls it "Trumpcare" — with a sharp retort.

This was the Wisconsin Democrat's tweet on March 8, 2017, two days after the unveiling of the the House GOP bill:

#ReadtheBill & you'll see #TrumpCare would allow insurance execs to personally make millions off your health care.

To be sure, the top executives at five major insurers — Aetna, Cigna, UnitedHealth, Anthem and Humana — already make millions, with each CEO earning between \$10.3 million and \$17.3 million in 2015, according to the latest figures.

Could the CEOs make millions more as a result of the GOP bill?

There would be an opportunity for that: A proposed tax break in the bill connected to executive compensation would be worth millions of dollars to the health insurers.

But the tax break would go to corporations, not personally to the executives.

And Baldwin's claim assumes the corporations would give millions of dollars in raises to the executives.

A tax deduction change

Baldwin's attack centers on a provision of the bill, which is supported by President Donald Trump, that would change a tax deduction:

- *Currently, Obamacare limits to \$500,000 the amount of an individual executive's compensation that a health insurance company can deduct as a business expense.*
- *The aim, as U.S. Rep. Ron Kind, D-Wis., has noted was to prevent health insurers from passing along profits they made via Obamacare to their executives, and then deducting the cost of those raises on the company's taxes.*
- *The GOP replacement bill would repeal the \$500,000 limit, generally making the cap \$1 million, the same amount that applies to other types of businesses. In other words, health insurance companies could increase their tax deduction.*
- *The upshot for the federal government, as estimated by Congress' nonpartisan Joint Committee on Taxation: \$400 million in lost tax revenue over 10 years.*

The effects

So, as Baldwin suggests, the GOP proposal would allow health insurers to claim a greater tax deduction for the pay it gives its top executives.

A CNN/Money news report said that of the \$73 million paid to the CEOs of the five major insurers in 2015, only \$2.5 million was deductible under Obamacare tax laws,

but more than \$70 million of it would be deductible under the Republican legislation.

But there are other important facts to consider:

- *It's misleading to say that executives would "personally" benefit from the change, given that the tax break is for corporations, not individuals.*
- *The health insurance companies would have more of a financial incentive, in terms of tax deductions, to give raises to their executives. But even if the companies opted to provide bigger raises, there's no evidence that the executives would reap "millions."*

As Matthew Gardner, senior fellow at the left-leaning Institute on Taxation and Economic Policy, told us:

"A more accurate version of Baldwin's statement would be that Trumpcare would make it easier for insurance companies to increase their CEO's pay."

Our rating

Baldwin says "'Trumpcare' would allow insurance execs to personally make millions off your health care."

One provision in a Trump-supported Republican bill to replace Obamacare is a tax break worth an estimated \$400 million over 10 years.

It's possible that money could fund raises for health care company executives. But the tax break is for the companies, not individuals; the companies could use the savings for other purposes; and even if the savings were used for raises, there's no evidence that executives would get millions.

For a statement that contains only an element of truth, our rating is Mostly False.

Read the analysis of Senator Baldwin's position online [here](#).