

MEDICARE RIGHTS CENTER

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November 2, 2009

The Honorable Nancy Pelosi, Speaker
United States House of Representatives
H232 Capitol Building
Washington, D.C. 20515

The Honorable Henry A. Waxman, Chairman
House Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Charles B. Rangel, Chairman
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, D.C. 20515

The Honorable George Miller, Chairman
House Committee on Education and Labor
2181 Rayburn House Office Building
Washington, D.C. 20515

Dear Speaker Pelosi, Chairman Waxman, Chairman Rangel and Chairman Miller:

The Medicare Rights Center, a national nonprofit consumer service organization for people with Medicare, strongly supports the *Affordable Health Care for America Act* (H.R. 3962) as introduced. The bill represents a comprehensive approach to health care reform while making improvements and investments in Medicare.

There are several major ways that this landmark legislation will improve the Medicare program. Firstly, the legislation narrows and eventually eliminates the coverage gap in the Part D prescription drug benefit by 2019, four years earlier than in the bill as originally introduced. During the phase-out of the coverage gap, people who are in the gap will also benefit from a new mandatory 50 percent discount on brand-name drugs starting almost immediately in 2010. Currently, over 3.4 million people with Medicare hit the coverage gap each year and must struggle to pay the full price for their medicines. We frequently receive calls on our consumer hotlines from individuals who must skip doses, split their pills, or forgo medications altogether because of the high out-of-pocket costs of prescription drugs when they are in the coverage gap.

In addition, the bill makes a considerable investment in primary and preventive care, exactly the type of care that older adults and people with disabilities with Medicare need in order to be active members in their communities. For example, the legislation increases reimbursements to doctors who provide primary care, increasing access to these services for people with Medicare. Also, people with Medicare will benefit from provisions that will eliminate the deductible and cost-sharing for preventive care benefits, such as glaucoma screening and diabetes self-management training.

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H.R. 3962 aims to increase the quality of care received by people with Medicare through reducing preventable readmissions to hospitals and promoting better care coordination. The bill provides incentives to those doctors or group practices who provide a “medical home” that coordinates the care patients receive from different specialists. Our caseworkers often try to facilitate these conversations among specialists, or our clients must do so for themselves, which can be especially difficult in times of acute illness.

A priority for the Medicare Rights Center is expanding access to programs that help people with Medicare who have low incomes. Currently, eligibility for assistance with drug costs through the low-income subsidy (LIS) program and assistance with Part A and B cost-sharing and premiums through Medicare Savings Programs (MSP) is restricted by an asset test that penalizes low-income beneficiaries who have saved for their retirement. H.R. 3962 raises the asset thresholds for both programs to \$17,000 for an individual and \$34,000 for a couple, allowing low-income beneficiaries to maintain very modest nest eggs for their retirement. This is especially important in light of the financial uncertainty that so many in our country now face.

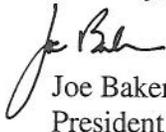
The bill also improves access to community-based long-term care services for older adults and people with disabilities. The inclusion in H.R. 3962 of the CLASS Act would allow eligible workers to pay into an insurance fund that would help pay for long-term care should they ever need it. The benefit would provide recipients with independence and control over the care they receive, allowing them to remain at home and active in their communities.

In addition, the bill will reduce overpayments to Medicare Advantage plans administered by private insurance companies. Medicare Advantage plans are paid on average 14 percent more per enrollee than Original Medicare. These overpayments all too frequently fail to result in lower costs and better benefits. While some private plans perform well, the Medicare Advantage program as a whole has fallen short of its promise, annually costing taxpayers \$11 billion in excess of the costs of Original Medicare.

The Affordable Health Care for America Act provides access to health coverage, including the choice of a public option, for the millions of Americans now without health insurance, including people with disabilities enduring the two-year wait for Medicare. The public option in this bill will serve as a safety net for the people most in need. All plans available on the new health insurance exchange will provide comprehensive health benefits, including durable medical equipment. Assistance with premiums and cost-sharing will help ensure middle-class Americans will be able to afford the medical care they need, while the expansion of Medicaid coverage provides a cost-effective means of delivering care to people with low incomes.

Strengthening the health care system overall will reinforce the Medicare program. We thank you for your commitment to taking a comprehensive approach to health reform and for putting the needs of your constituents for affordable, high-quality health care at the forefront of this legislative effort. We look forward to working with you on passing this legislation.

Sincerely,



Joe Baker
President