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April 24, 2009

United States Senate  
Washington, DC 20510

Dear Senator:

The National Committee to Preserve Social Security and Medicare strongly endorses the efforts of Congress and the Administration to fundamentally reform the health care system of the United States. We recognize that the current growth curve of health care costs is clearly not sustainable over time – not for individuals, not for businesses, and not for the federal government. As an organization dedicated to the preservation of federal programs critical for the health and well-being of seniors, we understand that the long-term financial stability of programs such as Medicare depends on the success of the general health care reform effort.

By the same token, general health care reform cannot be successful without the inclusion of critical improvements in the Medicare system. Medicare should not simply be a source of funding for health care reform. Medicare is a pillar of retirement security for America's older citizens. Together with Social Security, Medicare represents a critical lifeline for our seniors. Medicare provides basic, universal health care coverage to a portion of our population that historically has not been well served by the private insurance industry. However, the program suffers from a number of coverage gaps that negatively impact seniors' health and do not belong in a modern health care system. We believe it is imperative that Congress make improvements to Medicare as it is reforming health care for those under age 65.

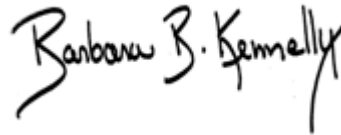
On behalf of the National Committee's millions of members and supporters, we propose three priority areas we believe must be addressed. First, we urge you to eliminate the billions of dollars in subsidies that are being paid to private insurance plans under Medicare Advantage. Currently, our nation is spending over \$1,000 more per individual for those enrolled in Medicare Advantage plans than it would cost to cover those same individuals under traditional Medicare. There is simply no justification for the wasteful overpayment of private plans participating in the Medicare program. Although private plans may provide some additional benefits, they often require higher cost-sharing than Medicare for services such as extended hospital stays, home health care, and chemotherapy. Beneficiaries who join Medicare Advantage plans for vision and dental benefits or gym memberships do not realize their limitations until they need expensive services. We believe traditional Medicare should be enhanced to provide additional benefits to seniors directly rather than leaving seniors with no option other than to enroll in a Medicare Advantage plan in order to receive them.

Second, we urge Congress to enact sorely-needed reforms to the Medicare prescription drug benefit. Priority improvements in Part D include: providing seniors the choice of a Medicare-operated prescription drug plan, providing Medicare the authority to negotiate lower drug prices, eliminating the doughnut hole (which does not exist in any private sector health insurance system), and improving assistance to low-income seniors. We believe these changes will both improve seniors' health and lower costs over the long term.

Finally, as you consider changes in coverage for those under age 65, we urge you to consider parallel improvements in the Medicare program for those aged 65 and older. For example, most private health insurance plans include a limit on annual out-of-pocket costs for beneficiaries. We believe a similar cap in Medicare would address some of the issues seniors on fixed, limited incomes face with the unpredictability of annual health care expenditures. To address any potential concerns about cost, we suggest enrollees be provided the opportunity to 'opt-out' of this benefit if they so choose. We also believe that other benefits such as care coordination for those with multiple chronic conditions, and coverage for routine dental, vision and hearing services should be included as part of a basic health insurance plan benefit, and they should also be incorporated into Medicare's offerings.

The National Committee believes successful health care reform is essential to the economic and societal well-being of our nation. But to accomplish the ambitious goal of reforming our health care system, public support from all constituencies will be essential. Incorporating long-needed improvements to Medicare into health reform legislation will provide tangible proof to seniors that they have an equal stake in the reform effort.

Cordially,

A handwritten signature in black ink that reads "Barbara B. Kennelly". The signature is written in a cursive, flowing style.

Barbara B. Kennelly  
President and CEO