

The Honorable Max Baucus
Chair, Finance Committee
United States Senate

The Honorable Charles Grassley
Ranking Member, Finance Committee
United States Senate

The Honorable John Dingell
Chair, Energy and Commerce Committee
United States House of Representative

The Honorable Joe Barton
Ranking Member, Energy and Commerce Committee
United States House of Representative

The Honorable Charles Rangel
Chair, Ways and Means Committee
United State House of Representatives

The Honorable Jim McCrery
Ranking Member, Ways and Means Committee
United State House of Representatives

December 7, 2007

Dear Senators and Representative s,

We, the undersigned, represent a variety of organizations dedicated to protecting and improving the health of seniors and people with disabilities, and especially those with limited incomes. As you consider Medicare legislation, we want to urge that improvements in programs that serve low-income Medicare beneficiaries be included in any final legislation. These provisions were included in the Children's Health and Medicare Protection Act of 2007 (CHAMP Act) that passed the House of Representatives in August. They represent a major step forward in helping the most vulnerable seniors and people with disabilities afford health care.

In particular, the measures we believe to be most crucial are:

- *Increasing the Part D subsidy asset allowance:* CHAMP increases the asset allowance for Part D to \$17,000 for an individual (\$34,000 for a couple). This will allow low-income beneficiaries to retain modest retirement savings and still qualify for help with Part D drug costs.
- *Updating the income and asset allowances for the Medicare Savings Programs:* These programs pay for Parts A & B cost-sharing for low-income beneficiaries. Currently, the income eligibility limit is lower than for Part D assistance. The asset limit has been frozen at \$4,000 individual (\$6,000 for a couple) since these programs were enacted. CHAMP instead aligns income and asset rules with the requirements for the Part D subsidy, and makes all of these programs permanent. This week, the Medicare Payment Advisory Commission (MedPAC) made a similar recommendation of aligning income and asset criteria across all programs serving low-income Medicare beneficiaries.
- *Improving enrollment in Medicare Savings Programs and the Part D subsidy:* Enrollment in Medicare Savings Programs has been disappointingly low since their inception. Part D low-income subsidy enrollment is only slightly better. CHAMP contains several provisions to improve enrollment rates, including simplifying applications, eliminating estate recovery, and increasing the Social Security Administration's role in MSP enrollment. Additional funding for community-based outreach will also increase enrollment.

Enactment of these measures would provide targeted help directly to needy seniors and people with disabilities as they cope with rising health care costs. We urge the Congress to make sure they become law.

Sincerely yours,

AFL-CIO

AFSCME

Alliance for Retired Americans

Alzheimer's Association

Center for Medicare Advocacy, Inc.

Families USA

Medicare Rights Center

National Committee to Preserve Social Security and Medicare

National Council on Aging