



National Committee to Preserve
Social Security and Medicare

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United States Senate
Washington, DC 20510

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Dear Senator:

On behalf of the millions of members and supporters of the National Committee to Preserve Social Security and Medicare, I urge you to seek the inclusion of provisions in the *Patient Protection and Affordable Care Act* that will ensure the complete closure of the Medicare Part D “doughnut hole” coverage gap.

President Obama has called for health reform legislation to eliminate the Part D coverage gap in ten years, and the House bill now includes provisions to achieve this goal. Closing the doughnut hole will bring relief to the 3.4 million beneficiaries who fall into the gap each year. They must cover the full cost of their drugs – while continuing to pay premiums to their Part D drug plans. Currently, the Senate bill establishes a 50-percent discount for brand-name drugs for those who fall into the gap. While this would provide some interim relief, it would still leave millions of seniors stranded until the coverage gap is closed. Unfortunately, millions of beneficiaries would find that they are unable to afford brand-name drugs, even at half price. The National Committee believes that the doughnut hole must be eliminated as quickly as possible.

Currently, the doughnut hole consists of \$3,454 in drug costs for which beneficiaries are liable once their drug spending reaches an established threshold. Under current law, the doughnut hole will nearly double in less than a decade, reaching \$6,000 by 2016. Research has found that beneficiaries falling into the coverage gap reduce their prescriptions by 14 percent and that many may take less medicine than is prescribed to avoid the doughnut hole in the first place. This is not surprising for older adults, since about half of seniors with Medicare have an income that is at or below 200 percent of the federal poverty level, and three out of every four senior households have annual incomes below \$40,000.

The doughnut hole is an artifact of politics – designed primarily to achieve savings for the government when the Part D program was enacted. It is a bizarre design for a prescription drug benefit, one which confuses seniors and leaves millions financially insecure. It is time to improve the Part D program by eliminating the doughnut hole.

Thank you for your work on health reform, and we look forward to working with you to continue to improve the Medicare Part D program.

Cordially,

Barbara B. Kennelly
President & CEO