



December 11, 2013

Dear Senator:

On behalf of the millions of members and supporters of the National Committee to Preserve Social Security and Medicare, I am writing to you and other Finance Committee members to express our support for provisions in the Chairman's Mark on the "Sustainable Growth Rate (SGR) Repeal and Medicare Beneficiary Improvement Act," which would permanently reform the flawed SGR formula. In addition, the National Committee urges you to vote for amendments to be offered by Senator Jay Rockefeller that would make the Qualified Individual (QI) program permanent, and restore drug manufacturer rebates to the government.

We are encouraged by the bipartisan, bicameral effort that is being made to repeal and replace the current volume-based provider payment system with one that bases payments on the quality and efficiency of care and allows for innovation in areas such as coordinating care for people with multiple chronic conditions. However, at the same time, we are concerned that the Chairman's Mark does not address how Congress will pay for the SGR repeal and replacement policy. Our top priority is that costs are not shifted to Medicare beneficiaries, half of whom are living on incomes of less than \$22,500 per year and already have high out-of-pocket costs for Medicare's cost sharing and for health services not covered by Medicare.

The National Committee supports Senator Rockefeller's amendment that would make permanent the (QI) program for qualifying Medicare beneficiaries. The QI program is important because it pays Medicare Part B premiums for qualified low-income beneficiaries with incomes between 120% and 135% of the Federal Poverty Level (about \$13,700 to \$15,300) and assets less than \$7,080. QI program recipients also qualify for the Medicare Part D Low-Income Subsidy (LIS), or Extra Help, to help pay for their prescription drugs. LIS can save beneficiaries up to \$4,000 per year on prescription drug costs. Without the QI benefit, many people would be unable to pay their monthly Medicare Part B premium (\$104.90), which may result in losing access to their doctors and the Part D drug coverage subsidy.

In addition, we support Senator Rockefeller's amendment, "The Medicare Drug Savings Act (S.740)," which would restore drug manufacturer rebates to the government for individuals who are dually eligible for both Medicare and Medicaid and for people receiving the Medicare Part D Low-Income Subsidy (LIS). This legislation would produce significant savings (\$141.2 billion over 10 years), which could pay for repealing and replacing the SGR.

The National Committee urges you to permanently reform the Medicare SGR without cutting benefits and supports the Rockefeller QI and drug rebate amendments.

Sincerely,

Max Richtman
President and CEO