

March 7, 2013

The Honorable John D. Rockefeller IV  
United States Senate  
Washington, DC 20510

Dear Senator Rockefeller:

On behalf of the millions of members and supporters of the National Committee to Preserve Social Security and Medicare, I am writing to express our support for the *Medicare Drug Savings Act*. We support this legislation, which requires drug manufacturers to pay rebates for the drugs used by people who are dually eligible for Medicare and Medicaid and for people receiving the Medicare Part D Low-Income Subsidy, for several reasons.

The Congressional Budget Office (CBO) estimates that requiring manufacturers to provide a rebate on all prescription drugs used by low-income beneficiaries would result in savings of \$137 billion over 10 years, or about 15 billion the first year of full implementation. Prior to the introduction of Medicare Part D in 2006, Medicaid programs received rebates for covered drugs for beneficiaries dually eligible for Medicare and Medicaid. When drug costs shifted to Medicare Part D prescription drugs for this population, the manufacturers' rebates ended. Your bill to reinstate rebates for low-income beneficiaries would simply restore a practice that was previously in place.

Finally, we believe that Medicare should receive the best possible price for drugs purchased for low-income beneficiaries similar to Medicaid and the Department of Veterans Affairs. At a time when the federal government is seeking ways to lower health care spending, proposals such as offering drug rebates, which saves money without shifting costs to beneficiaries, should be a part of the solution.

Thank you for your leadership on efforts to reduce Medicare spending while at the same time protecting beneficiaries. We look forward to working with you to enact this important legislation.

Sincerely,



Max Richtman  
CEO/President