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October 27, 2011

The Honorable Harry Reid
United States Senate
522 Hart Senate Office Bldg
Washington, D.C. 20510

The Honorable Mitch McConnell
United States Senate
361-A Russell Senate Office Building
Washington, D.C. 20510

The Honorable John Boehner
United States House of Representatives
1011 Longworth House Office Bldg
Washington, D.C. 20515

The Honorable Nancy Pelosi
United States House of Representatives
H232 Capital Rayburn House Office Bldg
Washington, D.C. 20515

Dear Majority Leader Reid, Minority Leader McConnell, Speaker Boehner, Minority Leader Pelosi:

The undersigned organizations, who represent millions of older Americans, urge you to reject any policy proposals that would increase the age of eligibility for Medicare. Increasing the age of eligibility for Medicare does not address the high cost of health care, but simply shifts increased costs onto beneficiaries and other payers of health care -- including employers and states -- who may be unable to shoulder these extra financial burdens.

Increased health care costs for those aged 65 to 67 may put coverage and care out of reach for many. Some groups in particular, such as single women and minorities, may be disproportionately affected. Roughly one quarter of individuals aged 65 and older live in families that depend on Social Security benefits for 90 percent or more of their income. In June 2011, the average annual Social Security benefit for all retired workers was approximately \$14,000. Women, on average, tend to rely on Social Security even more -- a majority of older women depend on Social Security benefits for over half of their family income.

Given their limited incomes and health status, denying 65 and 66 year-olds Medicare coverage will make it much more difficult for them to find affordable health insurance -- especially for those without employer-based coverage. As a result, when these individuals ultimately enter the Medicare program, they are more apt to be a less healthy and more costly population, thus increasing overall Medicare costs, as well as premiums for all beneficiaries.

In many states, insurance companies are allowed to charge older Americans several times what they would charge younger people. According to recent analysis from the Kaiser Family Foundation, two-thirds of individuals impacted by the proposal to increase the eligibility age would face more out-of-pocket costs, on average, than they would have paid under Medicare.

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In addition, many studies have demonstrated that increasing the age of eligibility for Medicare will shift more costs to employers. For example, businesses offering retiree health insurance who now pay secondary to Medicare for those who are 65 and older would be required to provide full health coverage for those aged 65 and 66, leading to far greater employer costs. Furthermore, many people would be forced to delay retirement in order to access affordable healthcare coverage while they wait for Medicare, adding a higher cost population into employer insurance risk pools. As a result, not only would employer costs increase, but so would premiums for the entire population covered by an employer's health benefit. Employers who offer their employees health insurance would find their costs increased, according to one study, by as much as \$4.5 billion.

In short, health care access would go down, and total U.S. health costs would go up. We therefore strongly urge you to reject ANY proposal to increase the age of eligibility for Medicare.

Sincerely:

AARP
AFL-CIO
AFSCME
AFT
American Postal Workers Union
B'nai B'rith International
Center for Medicare Advocacy, Inc.
Families USA
International Union, United Automobile, Aerospace & Agricultural Implement Workers of America, UAW
LeadingAge
Medicare Rights Center
National Academy of Elder Law Attorneys (NAELA)
National Alliance for Caregiving
National Association of Area Agencies on Aging (n4a)
National Hispanic Council on Aging (NHCOA)
OWL – The Voice of Midlife and Older Women
PHI - Quality Care through Quality Jobs
SAGE
The American Society on Aging
The National Consumer Voice for Quality Long-Term Care
Wider Opportunities for Women