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November 12, 2010

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington, DC 20515

The Honorable John Boehner
Minority Leader
United States House of Representatives
Washington, DC 20515

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

The Medicare Rights Center, a national nonprofit consumer service organization dedicated to ensuring access to quality and affordable health care for Medicare consumers, requests Congress to take immediate action on behalf of people with Medicare before the end of the 111th session. We specifically request action to extend the Qualified Individual (QI) program and the therapy caps exception process, as well as avert deep reductions in payment to Medicare physicians.

QI-1

The QI program, which is set to expire on December 31, 2010, helps older adults and people with disabilities whose income is between 120 and 135 percent of the Federal Poverty Level (FPL) pay their Part B premiums. In this uncertain economic time, it is imperative that steps are taken to protect low-income people with Medicare from additional financial burdens. The QI benefit creates greater financial security for these Medicare consumers, allowing them to use the money they save on premiums for other basic living necessities. Furthermore, the program is administered by states through federal block grants that cover the total cost of the benefit. Extending QI now will help cash-strapped states plan their budgets and avoid disruptions in coverage.

If the QI program is not renewed for 2011, those who currently have QI in 2010 will face additional financial burdens because there will be no Social Security cost-of-living adjustment (COLA) in 2011. While those who have their Part B premiums directly deducted from their social security checks are protected by the "hold harmless" provision, which ensures that an increase in the Part B premium cannot exceed the COLA in a given year, people with QI are not protected, because their premiums are paid

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directly by states. If QI were to lapse in 2011, this vulnerable population will be subject to the higher Part B premium of \$115.40 despite their limited means.

Therapy Cap Exceptions

Exceptions to Medicare coverage limits for outpatient physical, speech and occupational therapy are set to expire at the end of this year unless Congress takes action to extend them. Currently, consumers can apply for exceptions to the \$1860 coverage limit for combined speech and physical therapy services and \$1860 coverage limit for occupational therapy services, allowing them to overcome financial barriers to medically needed care. Extending the Medicare therapy caps exceptions process will ensure that consumers will continue to be able to access the treatments they need to help maintain and improve their quality of life.

Medicare Physician Payments

Lastly, Congress must take action to prevent the pending 25 percent cut in Medicare physician payments. This cut in provider payments, due to the Sustainable Growth Rate (SGR) formula, is a source of great anxiety for the Medicare population, some of whom are hearing from their physicians that if the cuts take effect, they will no longer see Medicare patients. Since the SGR formula passed as a part of the Balanced Budget Act of 1997, Congress worked to prevent onerous cuts from taking place, and must again take immediate action to do so. While a long-term solution is ideal, as it would create greater stability in the system for both patients and providers, a plan that prevents reductions for an extended period would at least provide further opportunity to evaluate the current SGR system while also protecting Medicare consumers' relationships with their physicians.

Congress has accomplished a great deal over the past year, including the closing of the Medicare prescription drug coverage gap, but there is still work to be done before the end of this Congressional session. We respectfully urge Congress to address these issues, and prevent serious access issues from becoming a reality for people with Medicare.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Baker". The signature is fluid and cursive, with the first name "Joe" and last name "Baker" clearly distinguishable.

Joe Baker
President