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September 23, 2009

Senator Max Baucus
511 Hart Senate Office Building
Washington, DC
20510

Dear Senator Baucus,

The Medicare Rights Center supports the overarching goal of the health care legislation now before your committee to reform America's health care system and extend affordable health coverage to the millions of uninsured and underinsured Americans. The Senate Finance Committee's markup of *America's Healthy Future Act* also provides a significant opportunity to improve the affordable access to medical care and prescription drugs for people with Medicare. The delivery system reforms in the legislation that shift Medicare payment toward rewarding doctors, hospitals and other medical providers for delivering high-quality, evidence-based care are an important step toward achieving that goal.

There is, however, more that the Finance Committee can do to ease the burden of high out-of-pocket costs affecting people with Medicare. Specifically, we urge your support for two amendments that will be offered during the committee markup.

Nelson Amendment to Close the Part D Doughnut Hole

As you are aware, over 3.4 million people with Medicare fall into the Part D coverage gap each year, and must pay the full price of medicines out of pocket. Research has found that beneficiaries falling into the coverage gap reduce their prescriptions by 14 percent; many can not afford the high prices of their prescriptions and many are forced to split pills or skip doses during the doughnut hole, while others take less than is prescribed to avoid the doughnut hole in the first place.

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We believe that it is not enough to only provide a 50 percent discount on brand-name drugs, as is provided in the *America's Healthy Future Act*. While these discounts would provide valuable interim relief, closing the coverage gap remains a critical priority.


President Obama has endorsed a phase-out of the doughnut hole in his remarks to Congress, by both extending the initial coverage threshold, and lowering the catastrophic upper limit. We urge you to support the amendment filed by Senator Nelson to close the Part D doughnut hole to create affordable prescription coverage for all people with Medicare. This crucial improvement in drug coverage for people with Medicare is fully paid for and yields an additional \$30 billion in budgetary savings by restoring pharmaceutical prices for coverage of dual eligibles with Medicare and Medicaid to levels that prevailed before the inception of the Part D drug benefit.

Bingaman Amendment to Protect Low Income People with Medicare

America's Healthy Future Act does nothing to expand access to the Low Income Subsidy (LIS) program, which helps low income people with Medicare afford drug coverage, or Medicare Savings Programs (MSPs), which help with premiums and cost sharing for medical services. Eligibility to these programs is limited for people with Medicare due to a restrictive asset test, leaving older adults and people with Medicare who have a modest savings struggling to make ends meet. HR 3200 raises the asset threshold for both programs to \$17,000 for an individual, and \$34,000 for a couple, allowing low-income beneficiaries to maintain a small nest egg for retirement. The Senate bill should at least include similar language, as offered in the amendment filed by Senator Bingaman, in order to expand access to the LIS and MSP programs.

Inclusion of these reforms in the *America's Healthy Future Act* does will be instrumental in building support for your efforts among Medicare beneficiaries. We look forward to working with you to pass this legislation, and to improve health care coverage for all people with Medicare.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Baker". The signature is fluid and cursive, with a large loop at the end of the last name.

Joe Baker
President