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June 30, 2011

The Honorable John D. Rockefeller IV
United States Senate
531 Hart Senate Office Building
Washington, DC 20510

The Honorable Henry A. Waxman
United States House of Representatives
2204 Rayburn House Office Building
Washington, DC 20515

Dear Senator Rockefeller and Representative Waxman,

The Medicare Rights Center, a national, nonprofit consumer service organization for people with Medicare, wishes to express its support for S. 1206/H.R. 2190, the Medicare Drug Savings Act of 2011. Similar to the rebates that existed before the implementation of Part D by the Medicare Modernization Act (MMA), the proposed legislation would require drug manufacturers to pay a rebate to the government for drugs provided to dual-eligible beneficiaries and further extends such rebates to people with Medicare enrolled in the low-income subsidy (LIS) program.

Unlike many of the deficit reduction proposals currently under consideration, this legislation achieves these considerable savings without directly shifting costs to the Medicare population, who on average already spend 15 percent of their total household income on health care. In fact, the CBO estimates that proposals similar to the Medicare Drug Savings Act will save the federal government \$112 billion by the end of 2021. These savings are equivalent to or greater than those achieved by other proposals that would drastically increase out-of-pocket costs for Medicare consumers, such as premium support, restructuring the Medicare benefit, creating copayments for home health where none existed before, and raising Medicare premiums.

The Medicare Drug Savings Act represents a principled and crucial cost-saving measure that will support other initiatives to reduce the deficit while protecting vulnerable populations who can least afford an increase in the price of health care. Thank you for your work on behalf of people with Medicare.

Sincerely,

A handwritten signature in black ink that reads "Joe Baker".

Joe Baker
President

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