



Leadership Council of Aging Organizations

William (Larry) Minnix, Jr., Chair

July 14, 2011

The Honorable Harry Reid
Senate Majority Leader
United States Senate
522 Hart Senate Office Building
Washington, DC 20510

The Honorable Mitch McConnell
Senate Minority Leader
United States Senate
317 Russell Senate Office Building
Washington, DC 20510

The Honorable John Boehner
Speaker of the House
United States House of Representatives
1011 Longworth House Office Building
Washington, DC 20515

The Honorable Nancy Pelosi
House Minority Leader
United States House of Representatives
235 Cannon House Office Building
Washington, DC 20515

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

The Leadership Council of Aging Organizations, a coalition of national organizations that represents nearly 60 million older Americans, strongly supports the Medicare Drug Savings Act (S. 1206/H.R. 2190). This bill would extend Medicaid drug rebates to prescription drugs paid for by Medicare and used by people eligible for both Medicare and Medicaid (dual eligibles), and by people receiving the Medicare Part D Low-Income Subsidy.

The legislation takes a responsible approach to reducing Medicare's costs and improving the solvency of the program. The Congressional Budget Office (CBO) estimates that this proposal would save \$112 billion over the next ten years. These savings are achieved without costs to Medicare beneficiaries unlike many of the other proposals currently under discussion by policymakers.

Precedent for requiring drug rebates for dual eligibles exists in the current Medicaid program. Prior to the implementation of the Medicare prescription drug program through the Medicare Modernization Act of 2003, drug manufacturers were responsible for paying rebates for dual eligibles who received drug coverage under Medicaid. However, once this population began to receive drug coverage through Medicare, the rebates were no longer required. This legislation simply reestablishes and strengthens past policy of rebates for this population who will continue to receive drug coverage through Medicare.

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The Medicare Drug Savings Act protects older Americans. As you know, half of people with Medicare have household incomes below \$22,000 per year, and generally the Medicare population already spends on average 15 percent of their income on health care. This is why the Medicare Drug Savings Act is so important; it strengthens the financial outlook of Medicare without doing so on backs of the people the program serves.

Sincerely,

AARP
AFSCME Retirees
Alliance for Retired Americans (ARA)
Alzheimer's Foundation of America
American Public Health Association (APHA)
American Society on Aging (ASA)
The Association of BellTel Retirees Inc
B'Nai B'Rith International
Center for Medicare Advocacy, Inc. (CMA)
The National Consumer Voice for Quality Long-Term Care (NCCNHR)
Families USA
LeadingAge
Medicare Rights Center
National Association of Area Agencies on Aging (n4a)
National Academy of Elder Law Attorneys (NAELA)
National Association for Hispanic Elderly (ANPPM)
The National Association of Professional Geriatric Care Managers (NAPGCM)
National Association of State Long-Term Care Ombudsman Programs (NASOP)
National Committee to Preserve Social Security and Medicare (NCPSSM)
National Senior Corps Association (NSCA)
National Senior Citizen's Law Center (NSCLC)
OWL
PHI-Quality Care *Through* Quality Jobs
Services and Advocacy for Gay, Lesbian, Bisexual & Transgender Elders (SAGE)
Senior Service America, Inc.
Service Employees International Union (SEIU)
Wider Opportunities for Women (WOW)

cc: The Honorable Max Baucus, Chairman, Senate Finance Committee
The Honorable Orrin Hatch, Ranking Member, Senate Finance Committee
The Honorable Dave Camp, Chairman, House Ways and Means Committee
The Honorable Sander Levin, Ranking Member, House Ways and Means Committee
The Honorable Fred Upton, Chairman, House Energy and Commerce Committee
The Honorable Henry Waxman, Ranking Member, House Energy and Commerce Committee
The Honorable John Rockefeller, United States House of Representatives