



Leadership Council of Aging Organizations

James P. Firman, Chair

October 31, 2012

The Honorable Max Baucus
Chairman, Senate Finance Committee
U.S. Senate
Washington, D.C.

The Honorable Orrin Hatch
Ranking Member, Senate Finance Committee
U.S. Senate
Washington, D.C.

Dear Senators Baucus and Hatch:

On behalf of the Leadership Council of Aging Organizations (LCAO), a coalition of national nonprofit organizations representing millions of older Americans across the country, we urge you to protect Medicare beneficiaries from higher costs and preserve their access to high quality services by including in the extenders package before the end of this year: (1) extension of the Qualified Individual (QI) program; (2) extension of therapy caps exceptions; (3) extension of funding for Medicare low-income outreach and enrollment efforts; (4) avoidance of the scheduled payment cuts to physicians and other health professionals under Medicare Part B; and (5) no offsets that would reduce benefits, increase costs, or diminish access for beneficiaries. In the absence of permanent solutions to these critical problems, we urge that the extensions be for at least one year.

By the end of this year, an extension of the QI program is essential. QI pays Medicare Part B premiums for individuals with incomes between 120 and 135 percent of the federal poverty level (approximately \$13,400 to \$15,080 per year in 2012). If the QI program were to expire, the loss of this benefit would leave beneficiaries with significant, unaffordable out-of-pocket costs. Many would likely have no choice but to drop their Part B coverage.

If Congress does not act to extend the Medicare therapy caps exceptions process, many will lose access to medically necessary services that restore and maintain the capacities needed for daily living, and ensure that they are able to remain as independent as possible in their own homes and communities.

Furthermore, funding should also be extended for expiring MIPPA and ACA initiatives to provide outreach and enrollment assistance to low-income beneficiaries for help they are eligible for. Less than half of those eligible for assistance actually receive it, and these successful efforts to help the most vulnerable seniors should not be permitted to expire.

Action must be taken to prevent the looming cut in payments to physicians and other health professionals under Medicare Part B, which create uncertainty for both Medicare beneficiaries and providers. Many Medicare beneficiaries fear that they will lose access to their doctors as a result of the SGR formula.

Lastly, the extenders package must not be paid for by increasing costs for people with Medicare, many of whom cannot afford to pay more. Half of Medicare beneficiaries have annual incomes of \$22,000 or less, and Medicare households spend an average of 15 percent of income on health care – nearly three times what those without Medicare spend. Shifting the costs of the program to beneficiaries will cause many to forgo needed services, even among those in the middle class.

We urge you to consider other spending or revenue offsets. Though not our preference, health-related offsets should only be used to fund health-related policies. If savings must be achieved through health programs, those offsets should reduce Medicare spending without shifting greater costs to people with Medicare or restricting access to needed services. An alternative savings option is to apply Medicaid drug rebates to low-income Medicare beneficiaries in Part D, which would generate significant savings to the federal government without requiring beneficiaries to pay more out-of-pocket. Savings can also be achieved by further reducing Medicare waste, fraud and abuse.

We look forward to working with you to guarantee that older Americans now and in the future are able to access high quality, affordable health care.

Sincerely,

AARP
AFL-CIO
AFSCME Retirees
Alliance for Retired Americans
Alzheimer's Foundation of America
American Geriatrics Society (AGS)
American Federation of Teachers Program on Retirement and Retirees (AFT)
American Postal Workers Union Retirees Department (APWU)
American Society on Aging (ASA)
Association for Gerontology and Human Development in Historically Black Colleges and Universities (AGHDHBCU)
Association of Jewish Aging Services
B'nai B'rith International
Catholic Health Association of the United States
Center for Medicare Advocacy, Inc.
Easter Seals
International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW
Leading Age
Lutheran Services in America (LSA)
Medicare Rights Center
Military Officers Association of America (MOAA)
National Academy of Elder Law Attorneys (NAELA)
National Adult Protective Services Association (NAPSA)
National Asian Pacific Center on Aging (NAPCA)
National Association for Home Care & Hospice (NAHC)
National Association of Area Agencies on Aging (n4a)
National Association of Nutrition and Aging Services Programs (NANASP)
National Association of Professional Geriatric Care Managers (NAPGCM)
National Association of Social Workers (NASW)
National Association of State Long Term Care Ombudsman Programs (NASOP)
National Association of States United for Aging and Disabilities (NASUAD)
National Caucus and Center on Black Aged (NCBA)
National Committee to Preserve Social Security and Medicare (NCPSSM)
National Consumer Voice for Quality Long-Term Care
National Council on Aging (NCOA)
National Senior Citizens Law Center (NSCLC)
OWL – The Voice of Midlife and Older Women
PHI – Quality Care *through* Quality Jobs
Services and Advocacy for Gay, Lesbian, Bisexual & Transgender Elders (SAGE)
Visiting Nurse Associations of America (VNAA)
Wider Opportunities for Women (WOW)