



Debra B. Whitman, Chair

Ways and Means Committee
United States House of Representatives
1120 Longworth House Office Building
Washington, DC 20515

May 28, 2015

Dear Representative,

The Leadership Council of Aging Organizations (LCAO) is a coalition of nonprofit organizations concerned with the well-being of America's older population and committed to representing their interests in the policy-making arena. The undersigned organizations are writing to express deep concern with the Medicare Patient Empowerment Act (H.R. 1650). H.R. 1650 would allow health care providers to enter into direct contracts with beneficiaries for any item or service covered by Medicare, permitting providers to charge more than the Medicare approved amount, charge beneficiaries the full cost of services up-front, and increase beneficiary out-of-pocket costs.

Decades ago, many Medicare beneficiaries were unable to afford the costs that some providers were assessing over and above standard coinsurance rates, creating a significant barrier to accessing needed care. Congress acted to protect beneficiaries by prohibiting balance billing and implementing limiting charges and physician assignment rules. These protections were implemented to ensure access to care for seniors and people with disabilities. H.R. 1650 eliminates these vital protections.

We urge Congress to reject calls to undo these essential beneficiary protections. It is critical to maintain the requirement that participating physicians cannot charge beneficiaries more than Medicare reimbursements, and non-participating physicians have a cap on additional charges for Medicare covered services. This is particularly important for a population that cannot afford more cost sharing.

Most Medicare beneficiaries simply cannot afford to pay more for health care. Half of all people with Medicare—more than 25 million older adults and people with disabilities—live on annual incomes of \$23,500 or less. On average, families with Medicare spend 14% of their annual income on health care—nearly three times that of non-Medicare households. If H.R. 1650 were

enacted, beneficiaries could be subjected to virtually any cost for a service, eradicating cost predictability and undermining the doctor-patient relationship.

Eroding protections from balance billing harms the very foundation of Medicare, which provides guaranteed benefits regardless of a beneficiary's health status or income. Permitting balance billing risks creating a two-tiered health care system made up of those who can afford needed care and those who cannot. Congress should not to divide the Medicare population and harm Medicare's core principle of universality.

Our organizations oppose eliminating the balance billing, limiting charge and participating provider protections which are vital to the affordability and accessibility of Medicare benefits. We urge Congress to proceed with caution as it considers any legislation, including H.R. 1650, that would undermine these essential beneficiary protections.

Sincerely,

AARP

AFL-CIO

Aging Life Care Association (formerly NAPGCM)

Alliance for Retired Americans

American Federation of State, County and Municipal Employees (AFSCME) Retirees

American Federation of Teachers (AFT) Retirees

American Foundation for the Blind (AFB)

American Postal Works Union (APWU) Retirees

American Society on Aging (ASA)

Association for Gerontology and Human Development in Historically Black Colleges and Universities (AGHDHBCU)

Association of Jewish Aging Services

Caring Across Generations

Center for Medicare Advocacy, Inc.

Center for Elder Care and Advanced Illness - Altarum Institute

International Association for Indigenous Aging (IA²)

International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW)

Justice in Aging

LeadingAge

Lutheran Services in America (LSA)

Medicare Rights Center

Military Officers Associations of America (MOAA)

National Academy of Elder Law Attorneys (NAELA)

National Active and Retired Federal Employees Association (NARFE)

National Adult Day Services Association (NADSA)

National Adult Protective Services Association (NAPSA)

National Association of State Long-Term Care Ombudsman Programs (NASOP)

National Committee to Preserve Social Security and Medicare (NCPSSM)

National Consumer Voice for Quality Long-Term Care

National Council on Aging (NCOA)

National Hispanic Council on Aging (NHCOA)

OWL – The Voice of Women 40+

Services and Advocacy for GLBT Elders (SAGE)

Social Security Works