



Leadership Council of Aging Organizations

Max Richtman, Chair

October 14, 2015

United States House of Representatives
Washington, DC 20510

Dear Representative:

The Leadership Council of Aging Organizations (LCAO) is a coalition of 72 national nonprofit organizations concerned with the well-being of America's older population and committed to representing their interests in the policymaking arena. I write today to request support for H.R. 3696, the "Medicare Premium Fairness Act of 2015," which would prevent sudden, steep increases in Medicare Part B premiums and deductibles in 2016.

Without Congressional action, according to the 2015 Medicare Trustees Report, Part B premiums will increase by 52%—up to \$159.30 per month from \$104.90—for 30% of beneficiaries in 2016. This enormous increase will affect those new to Medicare in 2016, high-income beneficiaries, Medicare beneficiaries who do not receive Social Security, and dually eligible Medicare and Medicaid beneficiaries. The trustees also predict that this premium increase will be accompanied by a hike in the Part B deductible—up to \$223 from \$147. Unlike the 2016 Part B premium projections, the estimated increase in the Part B deductible will affect all Medicare beneficiaries.

The projected increases are attributed to a range of factors, including higher than expected utilization of outpatient services and the anticipated absence of a Cost of Living Adjustment (COLA) for Social Security recipients in 2016. Through the hold harmless provision in the Social Security Act, the dollar increase in the Part B premium is limited to the dollar increase in an individual's Social Security benefit. With no COLA expected, an estimated 70% of beneficiaries will be held harmless, meaning their Part B premium will remain stable at \$104.90, while 30% will see steep increases.

The "Medicare Premium Fairness Act of 2015" will keep the 2016 premiums and deductible stable for all Medicare beneficiaries by protecting the premiums of the 30% of beneficiaries who will not otherwise be held harmless, and maintaining the deductible for all beneficiaries at the 2015 threshold.

On behalf of the Leadership Council of Aging Organizations, I urge you to act quickly to protect beneficiaries from unprecedented increases in the Part B premium and deductible by passing H.R. 3696.

Sincerely,

A handwritten signature in black ink that reads "Max Richtman".

Max Richtman
Chair