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September 1, 2009

The Honorable Ginny Brown-Waite
Member, United States House of Representatives
16224 Spring Hill Drive
Brooksville, Florida 34604

Dear Congresswoman Brown-Waite:

On behalf of AARP's nearly 3 million Florida members, we were pleased to see that your office has stressed your strong commitment to the protection of the Medicare program. With 3.2 million Floridians receiving Medicare benefits as of 2008, AARP shares your belief that keeping Medicare strong is vital to older Floridians, and indeed to all generations of Americans.

We also want to express our thanks to you personally, as we have to members of the Florida news media, for your remarks in an interview with reporter Zack Steiner of radio station WDBO-AM, correctly stating that health reform legislation now pending before Congress would not require older Floridians to submit to mandatory end-of-life counseling. As we have indicated, your statement to WDBO demonstrates your commitment to putting principle ahead of partisanship in this highly polarized debate. It is of critical importance that our health-reform debate focus on facts rather than myths as the health-care reform debate enters a decisive phase this fall.

It is in this spirit that we write regarding a recent publication that has come to our attention. This document, titled "Medicare Cuts in H.R. 3200," mentions \$532 billion in changes to Medicare over the next 10 years. We were concerned to note that some portions of this document appear to conflict with the latest analysis by the Congressional Budget Office of H.R. 3200.

As you know, this \$532-billion figure represents approximately 7 percent of all Medicare spending over that period. However, this figure includes both real savings to the Medicare program as well as adjustments in payments to insurers and health-care providers. The Congressional Budget Office has determined that H.R. 3200 would plow back into Medicare more than \$300 billion over 10 years, resulting in net adjustments to Medicare of approximately 3 percent over a period of 10 years.

As an example, the document we have received lists \$30 billion in "cuts" to Medicare's Part D prescription drug program. This \$30 billion figure in fact refers to cost savings achieved by capturing manufacturers' discounts on drugs provided to Americans of modest means who are eligible for both Medicare and Medicaid. We are confident that you, as well as other principled fiscal conservatives in Congress, will fully support initiatives that redirect resources to providing vital health care to Americans. Surely no one would wish to lose the value of these discounts.

We also are concerned that this document states that H.R. 3200 would "completely eliminate the Medicare Advantage program." In fact, H.R. 3200 simply would phase out overpayments that give private Medicaid Advantage insurers approximately 14 percent more to provide care than traditional Medicare costs. In fact, beneficiaries in traditional Medicare actually are subsidizing care provided under Medicare Advantage plans

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through their own premiums. Federal budgets are under strong fiscal pressure. Surely it is reasonable to ask Medicare Advantage plan executives to use their private-sector expertise, for which they are well compensated, to deliver care at costs at least equal to those achieved by a government-run program, without hurting beneficiaries.

We also were concerned to note that this document may encourage an erroneous understanding of the serious issue of health-care rationing. This document states that under H.R. 3200, "unelected board members decide what acceptable health coverage is and what treatments should be available to patients." AARP has determined, after careful analysis, that no such rationing provision exists in H.R. 3200. Yet we see in this document no mention of the real health-care rationing that now occurs daily in Florida, through which private health insurers intervene on a daily basis between doctors and patients regarding what care and coverage can be provided. We also did not see any mention of H.R. 3200's provision ending insurance-company denials of coverage for pre-existing conditions, banning "lifetime benefit caps" and forbidding insurers to drop your coverage if you become ill or your care becomes costly in midyear.

AARP also would note that it seems inaccurate to characterize other gains for older Floridians under H.R. 3200 as "cuts," including the gradual elimination of the Part D "doughnut hole," a very significant victory for more than 300,000 Floridians age 65+ who fall into this coverage gap annually. In addition, the agreement by major drug manufacturers to reduce by half the cost of name-brand prescription drugs for those in the Part D "doughnut hole" does not really seem to constitute a "cut" to Medicare, though it definitely would mean beneficiaries would spend a lot less for drugs they need to stay healthy.

Also, we noted with concern that this document suggests H.R. 3200 would lead employers to drop sponsored covered of employees, specifically citing an 8-percent payroll tax as the cause. As Politifact.com noted this weekend, this provision of H.R. 3200 actually would apply only to employers who do not make health coverage available to employees, and thus would tend to encourage employers to retain coverage or even add it.

Finally, we were pleased to note that this document pledges you to the protection of Medicare's long-term financial solvency. AARP thanks you for this. We are sure you will be interested to know that H.R. 3200, if enacted, would extend Medicare's solvency by five years, to 2022.

We write not to defend H.R. 3200. AARP has endorsed neither this legislation nor any other of the pending health-reform bills now before Congress. We acknowledge that there is, of course, ample room for honest disagreement on H.R. 3200 as well as on other, still-incomplete legislation on health reform. Yet on such a critical issue, there should be little or no room for misstatements by either proponents or opponents of health reform that frighten vulnerable older Floridians or cloud this important debate with misconceptions.

We welcome your leadership in ensuring that the debate on this topic is accurate, mutually respectful, and above all productive. Floridians age 50+ have waited many decades for Washington to come to grips with this very complex, difficult issue.

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Floridians of all generations need their leaders to put aside their differences and work together to achieve common-sense solutions. AARP stands ready, as always, to work closely with you to achieve this goal.

Sincerely,

A handwritten signature in cursive script that reads "Lori K. Parham". The signature is written in black ink and is positioned above the typed name.

Lori K. Parham
State Director
AARP Florida