

United States House of Representatives
Committee on Energy and Commerce, Subcommittee on Health
Hearing on “The Extenders Policies: What Are They and How Should They Continue Under a
Permanent SGR Repeal Landscape?”
Thursday, January 9, 2014

Mr. Chairman and Members of the Subcommittee:

I am Max Richtman, President and Chief Executive Officer of the National Committee to Preserve Social Security and Medicare (NCPSSM), and I appreciate the opportunity to submit this statement for the record. With millions of members and supporters across America, the National Committee is a grassroots advocacy and education organization devoted to preserving, strengthening and promoting Social Security, Medicare and Medicaid.

Today, I am writing to urge you to extend the Qualified Individual (QI) program and therapy caps exceptions for Medicare beneficiaries as part of any legislation that would repeal and replace the Sustainable Growth Rate (SGR) formula. Extension of QI and therapy caps exceptions were included in previous annual SGR extenders packages, and they should be a part of any future SGR legislation because these programs are vital to the well-being of low-income and medically-frail Medicare beneficiaries.

The National Committee supports making the QI program permanent for qualifying Medicare beneficiaries. Since 1998, the QI program has paid for Medicare Part B premiums for qualified low-income beneficiaries with incomes between 120% and 135% of the Federal Poverty Level (about \$13,700 to \$15,300) and assets less than \$7,080. In addition, QI program recipients qualify for the Medicare Part D Low-Income Subsidy (LIS), or Extra Help, to help pay for their prescription drugs. LIS can save beneficiaries up to \$4,000 per year on prescription drug costs. Without the QI benefit, many people would be unable to pay their monthly Medicare Part B premium (\$104.90), and Part D prescription drug premiums and costs, which may result in forgoing needed health care and disrupting access to their doctors.

We also request that Congress include a permanent fix to the Medicare therapy cap exceptions process, preferably by repealing the caps, as required by S. 1871, the “SGR Repeal and Medicare Beneficiary Access Improvement Act,” which was approved by the Senate Finance Committee on December 17, 2013. The changes in this legislation are intended to improve access for beneficiaries and to ensure appropriate payments to providers. The current caps, which limit the annual Medicare coverage available for outpatient therapy services impose an undue burden on millions of seniors who require care to improve and recover from serious medical conditions. If a full repeal of the Medicare therapy caps is not possible, we urge you to make the exceptions process permanent.

In brief, we are encouraged by the bipartisan, bicameral effort to repeal and replace the SGR provider payment system with one that bases payments on the quality and efficiency of care and allows for innovation in areas such as coordinating care for people with multiple chronic conditions. However, we are concerned about how Congress will pay for the SGR repeal and

replacement policy. We strongly oppose shifting more costs to seniors, which would be particularly damaging because half of Medicare beneficiaries are living on incomes of less than \$22,500 per year and already have high out-of-pocket costs for health care.

Instead, we support paying for the SGR repeal and replacement by restoring Medicare Part D rebates to individuals who are dually eligible for Medicare and Medicaid or the low-income subsidy, which would save over \$140 billion over 10 years.

As Congress moves forward with SGR repeal and replace legislation, we urge you to make the QI program permanent and repeal the Medicare therapy caps. Millions of Medicare beneficiaries rely on these programs in order to live independently.

Thank you for your efforts to repeal and replace the SGR formula and commitment to our nation's seniors.

Sincerely,

A handwritten signature in black ink that reads "Max Richtman". The signature is written in a cursive, flowing style.

Max Richtman
President and CEO