

The 60 Plus Association

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Kill the Death Tax. Protect Social Security and Medicare. Energy Security.

James L. Martin
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Amy N. Frederick
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Rep. Roger Zion (R-IN, 1967-75)
Honorary Chairman

Pat Boone
National Spokesman

February 26, 2014

Dear Chairman Pitts:

On behalf of more than seven million senior citizen activists, the 60 Plus Association thanks the Subcommittee on Health for holding this hearing on “Messing with Success: How CMS’ Attack on the Part D Program Will Increase Costs and Reduce Choices for Seniors.”

Policy successes in Washington are few and far between these days, so more than ever we pray that our leaders follow the old adage, “If it ain’t broke, don’t fix it.”

The proposed rule issued by the Centers for Medicare and Medicaid Services (CMS) on January 6, 2014 will destroy the one health care program that has proven extremely effective in controlling prescription drug costs, has near unanimous satisfaction among seniors and is currently coming in 45% *under* its projected budget. Oh, and the current program offers a model of reform that could save our nation from financial ruin.

I am, of course, referring to the Medicare Part D prescription drug benefit, and no, that 45%-under-budget figure is not a typo. Passed under George W. Bush and a Republican Congress, Medicare Part D is performing astoundingly well. Seniors now have access to prescription drugs at an affordable monthly premium that has averaged \$30 for three straight years without increasing. And more seniors taking prescriptions and thus staying healthier lowered Medicare’s hospital costs by \$13.4 billion in the first year alone — not a bad side effect.

The success of Medicare Part D’s free-market competition and patient choice model shines light on a pathway to real and lasting reform that could keep Medicare solvent for generations to come. As Medicare stands now, the program will face shortfalls in funding in nine years or less. The \$716 billion cut from Medicare to pay for Obamacare will further cripple the program.

Instead of embracing the reforms that have led to Part D’s stunning success, The CMS’ proposal will undermine it with a price-control scheme in the form of a “soak the rich” tax on health care providers. We all know that tax will be passed on to seniors in the form of higher premiums and co-pays. Call it the “politics of spite.” Anything that empowers individuals and actually works is bad by Obamacare’s meter. Anything the government controls is by definition good. By rejecting reform and doubling down on the failed models of the past, Obamacare is speeding our nation toward bankruptcy. It’s absolute madness.

(over)

Seniors lost the benefits of competition and choice when Obamacare cut hundreds of billions from Medicare Advantage, the market-based program through which many seniors have chosen to receive Medicare benefits. Medicare Advantage is working to control costs and one out of four seniors has chosen it. Obamacare's cuts will result in millions of seniors losing Medicare Advantage, with those staying having to pay higher premiums and co-pays.

This call for price controls on the drug industry will be equally disastrous. In addition to higher premiums and less choice, seniors will see less research and development to find the lifesaving cures of the future. Drug costs are already being held down by the healthy competition Medicare Part D provides. Injecting price controls like those in the failed Medicaid program, where costs keep rising and doctors are less and less willing to serve patients, is not in the interest of seniors. Unfortunately, if this proposed rule goes through, it will destroy reform, choice and innovation in order to strengthen the government's grip on health care.

Our nation's seniors were vocal champions of Medicare Part D in last year's national election because it has proven that free-market reforms work and can help cure our health care and budgetary ills. The CMS should acknowledge the success of Part D instead of attempting to undermine it. If the CMS truly cared about seniors and strengthening Medicare for future retirees, it would build on this model of reform and quit trying to fix the one thing in Washington that "ain't broke."

Sincerely,



Chairman

The 60 Plus Association is a 20-year-old nonpartisan organization working for death tax repeal, saving Social Security and Medicare, affordable prescription drugs, lowering energy costs and other issues featuring a limited government, less taxes approach as well as a strict adherence to the Constitution. 60 Plus calls on support from over 7 million citizen activists. 60 Plus publishes a newsletter, SENIOR VOICE, and a Scorecard, bestowing awards on lawmakers of both parties who vote "pro-senior." 60 Plus has been called "an increasingly influential senior citizen's group" and the acknowledged conservative alternative to the liberal AARP.