

AARP PRIORITIES AND THE MEDICARE CONFERENCE REPORT

“If, however, the final conference agreement does more harm than good, based on the concerns enumerated in this letter, we will not hesitate to oppose it.”

-- Letter to Congress from AARP CEO William Novelli, July 13, 2003

AARP JULY 2003 CONCERNS		Conference Bill
PREMIUM SUPPORT	“AARP opposes a premium support structure ... that could...require beneficiaries to pay even more out-of-pocket.”	INCLUDES premium support demo that coerces seniors into HMOs and raises premiums for traditional Medicare
GUARANTEED PRESCRIPTION DRUG BENEFIT	“AARP believes that there must be a guaranteed drug plan available for all Medicare beneficiaries – regardless of where they live. The Senate provision is the minimum necessary...”	WEAKENS Senate fallback provision, which guarantees a Medicare option for seniors
MEANS TESTING	“Altering the level of the benefit based on beneficiary income would erode the universal nature of the program.”	INCLUDES income-related premium for Part B
LOW-INCOME	“We believe that eligibility for this assistance should not be limited by an assets test that could prevent otherwise low-income beneficiaries from the benefit of reduced cost sharing.”	INCLUDES assets testing for low-income assistance
COVERAGE GAP	“AARP believes...the [coverage] gap should be narrowed further and, ultimately, must be eliminated.”	WIDENS benefit gap when compared to the Senate bill
MAINTAINING CURRENT COVERAGE	“AARP strongly believes that a conference agreement should not result in millions of older and disabled Americans losing their employer-provided prescription drug coverage.”	STILL CAUSES MILLIONS to lose retiree coverage
INDEXING	“We urge you to index the prescription drug benefit and other cost-sharing measures to a measure that is more closely related to the growth in beneficiaries’ ability to pay to ensure that the coverage will remain affordable...”	DOES NOTHING to address concerns about cost growth over time
COST CONTAINMENT	“In order to assure the continued affordability of the benefit for both beneficiaries and the Medicare program, greater efforts are needed to put downward pressure on health care costs, particularly the price of prescription drugs.”	WEAKENS prescription drug cost containment, eviscerates reimportation CAPS Medicare Trust Fund
PROVIDER GIVEBACKS	“[R]eimbursement changes should [not] diminish...funding for a drug benefit or add to total beneficiary cost-sharing obligations.”	OVERPAYS HMOs & PPOs at the expense of worse drug coverage and increased premiums & cost sharing