



**American Hospital
Association**

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October 6, 2011

Honorable Bernard Sanders
United States Senate
332 Senate Dirksen Office Building
Washington, DC 20510

Dear Senator Sanders:

I write in response to your October 3, 2011 letter regarding the position of the American Hospital Association (AHA) on the issue of raising the Medicare eligibility age. You state that you “read last week” references to our activities on this matter. In this regard, some have suggested that we were planning a “rally” to promote this issue. This is simply incorrect.

As I’m sure you have experienced, our position and advocacy activities in this case have been mischaracterized by the media. Please know you can always contact our staff directly for clarification on our policy positions. We are always open to discussing our views on specific issues with you, and have appreciated your past support for adequate payment for hospitals under Medicare.

As Congress deliberates the future of Medicare, hospitals face significant reductions to the program as a result of the debt ceiling agreement reached in August. In our view, it is time for a serious discussion of a variety of issues that could help address the long-term financial viability of the Medicare program, along with a responsible approach to deficit reduction. In that context, a civil and thoughtful discussion of various financing options needs to occur, rather than continually lowering rates to providers, thereby jeopardizing care to our seniors. It is unfortunate that some choose to draw a distinction between reductions to beneficiaries and reductions to providers, and are more than willing to embrace cuts to providers, not understanding that such reductions also have a negative impact on beneficiaries.

A number of opinion leaders have suggested that the Congress needs to have a dialogue on whether the eligibility age for Medicare should be gradually raised to age 67, as was done with the Social Security program almost 30 years ago. A diverse group has urged that this discussion occur, including support from a bipartisan group of your colleagues on the Bowles-Simpson



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Commission. President Obama has also suggested that this issue needs to be part of the discussion regarding overall Medicare reform. And the Democrats on the House Ways and Means Health Subcommittee included it on a menu of options for consideration by the Joint Select Committee on Deficit Reduction, outlining both the pros and cons of adopting such a policy.

It is in this spirit that we have also provided our members with a list of the policy options being considered in Washington related to Medicare reform, and believe like those listed above, that it merits discussion. Clearly, there would have to be a long transition related to eligibility age, with proper exceptions based on certain vulnerable populations and occupations. With the establishment of health insurance exchanges in 2014, which we strongly supported, subsidies would be available for low-income individuals to purchase health insurance.

We welcome a continued dialogue about both the financial sustainability of the Medicare program and deficit reduction. Again, please feel free to contact us in the future if you have concerns regarding our views on any issue, rather than accepting reports that are not based in fact.

Sincerely,

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

Rich Umbdenstock
President and CEO