



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

August 18, 2010

The Honorable Tom Coburn
United States Senate
Washington, DC 20515

Dear Senator Coburn:

Thank you for your recent letter regarding the educational campaign that Medicare is currently running featuring Andy Griffith. I appreciate your concern that taxpayer dollars be appropriately spent. The budget challenges we face today underscore the importance of actions taken by Congress and this Administration to pass and implement the Affordable Care Act, which will help put the nation on a path to spend our health care and Medicare dollars efficiently and effectively.

It is our responsibility to ensure that our 44 million Medicare beneficiaries understand changes to the program that they rely on for their health care. Medicare beneficiaries should be armed with all the facts and information they need to make the choices that are right for them and their families during the first open enrollment season since passage of the Affordable Care Act this spring.

I asked the Centers for Medicare & Medicaid Services (CMS) for assistance in addressing some of your specific concerns. The agency's memorandum in response is enclosed. CMS has a long history of educational outreach to Medicare beneficiaries, especially following the passage of major pieces of legislation. CMS also has a long history of using celebrity spokespeople to educate beneficiaries.

We take seriously our duty to educate beneficiaries and get them the factual information they need. We are grateful that Mr. Griffith volunteered his services to help educate beneficiaries about Medicare. I will also provide this response to the cosigners of your letter.

Sincerely,

A handwritten signature in black ink, which appears to read "Kathleen Sebelius". The signature is fluid and cursive, with the first name "Kathleen" and last name "Sebelius" clearly distinguishable.

Kathleen Sebelius

Enclosure

To: Interested Parties
From: The Centers for Medicare & Medicaid Services
Re: Background on the New Andy Griffith Spot

Thank you for your interest in our new educational spot featuring Andy Griffith. The Andy Griffith spot is part of our annual efforts to inform Medicare beneficiaries about changes to Medicare before the annual open enrollment period begins in the fall. Every year, we use a number of different outreach tools – such as the Medicare & You handbook, news releases, public service announcements (PSAs), and local activities like town hall meetings and health fairs – and look for new ideas that will help us reach Medicare beneficiaries to inform them of program changes and prepare them for that annual enrollment period. This year, we kicked off the effort on the date of Medicare's 45th anniversary.

CMS has used celebrity spokespeople in the past to reach out to beneficiaries. Over the past few years, we have used Leslie Nielsen, Sherman Hemsley, Florence Henderson, and Jasmine Guy. Andy Griffith is one of the most popular and trusted voices for seniors. As such, he was an excellent choice for helping inform beneficiaries about changes in Medicare and where to go to get more information. When he was contacted, he volunteered to help with this educational campaign.

CMS's open enrollment education campaign kicked off around the 45th Anniversary of Medicare and will run through December. The costs of standard open enrollment campaigns have historically run in the millions of dollars. To date, we have spent \$700,000 to produce and run this first spot of the open enrollment campaign, which is running on several cable networks including HGTV, TNT, the Hallmark Network, and CNN. We will provide you with an update on the anticipated cost of the campaign, which will be implemented using existing CMS contracts, as soon as it is available.

CMS believes this message of this spot provides important information, alerting beneficiaries to the savings on prescription drugs and preventive care that the Affordable Care Act will provide, as well as the improved protections against Medicare fraud. In particular, CMS stands strongly behind the portion of the message that conveys that guaranteed Medicare benefits will not be reduced or cut.

The Affordable Care Act specifically provides that guaranteed Medicare benefits will not be reduced or cut. The term "guaranteed benefits" (or variations of that phrase) is commonly used to refer to the set of benefits required by the Medicare statute, a term that has been used in this context for many years. AARP uses this same term for the same concept, most recently in its mailer describing the changes to Medicare resulting from the Affordable Care Act. President George W. Bush described the principle underlying his Medicare policies as striving to preserve the "benefit guarantee." Medicare beneficiaries generally understand what their guaranteed benefits are and want them protected. The Affordable Care Act contains no provisions that reduce or cut guaranteed benefits and indeed includes explicit protections of such benefits (see sections 3601 and 3602).

Section 3601 of the Affordable Care Act reads:

PROTECTING AND IMPROVING GUARANTEED MEDICARE BENEFITS.

(a) **PROTECTING GUARANTEED MEDICARE BENEFITS.**—Nothing in the provisions of, or amendments made by, this Act shall result in a reduction of guaranteed benefits under title XVIII of the Social Security Act.

Additionally, Section 3602 of the Affordable Care Act reads:

SEC. 3602. NO CUTS IN GUARANTEED BENEFITS.

Nothing in this Act shall result in the reduction or elimination of any benefits guaranteed by law to participants in Medicare Advantage plans.

Moreover, there is no provision in the Affordable Care Act that prohibits or restricts extra benefits from being offered by Medicare Advantage plans, or by its terms, reduces or cuts such benefits. While Medicare Advantage plans will no longer be paid, on average, \$1,000 more per enrollee than Original Medicare, plans have numerous options for keeping their costs competitive with those of Original Medicare, such as reducing overhead, improving quality, and better managing chronic diseases.

It is very important that CMS makes sure that Medicare beneficiaries understand clearly how the Affordable Care Act does and does not affect their options as Medicare open enrollment approaches. We will continue to do education and outreach in the coming days and weeks leading up to and through our annual open enrollment period.