

## Sign On and Preserve the Medicare Part D Program

Posted on [December 10, 2012](#)

Dear Congressman/Senator:

Legitimate concerns over an exploding federal budget deficit and looming “fiscal cliff” have prompted some Members of Congress and the Obama Administration to propose Medicaid style rebates for the dual eligible and Medicare low income subsidy (LIS) populations, which together account for 56 percent of Medicare prescription drug spending. This proposal would require manufacturers of brand name drugs to pay the federal government a rebate on drugs purchased by enrollees in the LIS program. On behalf of the undersigned organizations, we are writing to register our strong opposition to mandatory rebates on prescription drugs in Part D.

The signatories of this letter are a broad based coalition representing providers, consumers, patients, insurers, and employers. We recognize the urgent need for Congress to reduce the nation’s debt and spur economic growth. We believe, however, that achieving real savings requires reducing costs, not shifting them onto others. A Part D mandatory rebate would fail this test.

Specifically, a Part D rebate could:

***Increase premiums.*** Economic studies have estimated that Part D premiums for most Medicare beneficiaries could increase by 20 to 40 percent under the rebate approach. Half of Medicare beneficiaries had household incomes below \$21,183 in 2010. Half of those aged 85 and older had incomes under \$18,000. Medicare populations cannot afford these rebate-driven increases in their prescription drug plans.

***Shift as much as \$112 billion in costs onto employers, Medicaid, and the 79 percent of Medicare beneficiaries who do not participate in LIS.*** The proposal would expand Medicaid-style rebates to roughly 40 percent of Medicare Part D beneficiaries who account for more than half of Part D spending. At the same time, Medicaid populations will also grow dramatically as the result of the Affordable Care Act; 18 million is the

forecast. The combination of \$112 billion in estimated savings from the proposal, and the growing rebates created by an expanded Medicaid population will conspire to increase drug prices and costs. Economic studies show these costs could be passed on to employers, Medicaid and beneficiaries.

***Jeopardize savings and patient adherence to drugs.*** Less access to affordable prescriptions means patients may not take the drugs they need as prescribed. Because the availability of affordable drug coverage is achieving savings of about \$1,200 annually per beneficiary in reduced hospital and skilled nursing facility costs, proposals that increase drug costs may lead to higher costs in more expensive settings. In addition to the human toll, Medicare could incur tens of billions of dollars annually in avoidable complications and hospital admissions.

***Weaken the incentives that have helped dramatically reduce the cost of prescription drugs for seniors.*** This year the average Part D premium came in at less than half the Medicare Trustees' 2004 projection, and total costs for the program were 43 percent lower than CBO's forecast that same year. Earlier this year, the CMS Administrator at the time said Part D is "a competitive market and we're seeing the effect of good competition among Part D plans take its effect" .

In a Medicare system that is fraught with inefficiencies, Part D has set the standard for delivering better value at a lower cost. As health costs have increased elsewhere, the average Part D premium, thanks largely to competitive bidding, has held steady the past three years. An astounding 90 percent of enrollees are satisfied with their coverage. This argues for exercising caution in fundamentally changing incentives in a program that clearly has demonstrated success on so many fronts.

We strongly urge Congress to reject any proposals that would undermine the current program's success in holding down premiums. A Part D mandatory rebate is a poorly informed, ill-conceived policy that poses serious risks to the health and well-being of millions of seniors, veterans and persons with disabilities.

We look forward to working with Congress to help strengthen Medicare and to ensure that the program is stable, efficient and effective, and that it continues to maintain and improve the health of beneficiaries.

1 in 9: The Long Island Breast Cancer Action Coalition

4th Street Clinic

A Partnership of Diabetics (A-POD)

Advanced Cancer Therapeutics

Advocacy Center, Louisiana

Advocates for Responsible Care

AIDS Alliance of Northwest Georgia

AIDS Institute

AIDS Outreach Montana

AIDS Resource Center Ohio

Alabama Council of Community Mental Health Boards

Alabama Lifespan Respite Resource Network

Alabama Silver Haired Legislature

Alder Health Services

All of Life

Allergy & Asthma Network

Alliance Community Services

Alliance House of Utah

Alzheimer' s Association – Montana Chapter

Alzheimer' s Association – San Antonio & South Texas

Alzheimer' s and Dementia Alliance of Wisconsin

American Autoimmune Related Diseases Association

American Diabetes Association – El Paso

American Liver Foundation – Western PA

American Small Business

Amigos por la Salud

Amigos por la Salud  
Angel Hospice  
Areawide Aging Agency, Inc.  
Arthritis Association of Louisiana  
Arthritis Topeka  
Asian & Pacific Islander American Health Forum  
Associated Industries of Missouri  
Associated Industries of Missouri  
Association of Black Cardiologists  
BayBio  
Bio District New Orleans, Louisiana  
Bio Nebraska Life Sciences Association  
BIOCOM  
BioForward  
BioHouston  
BioNJ  
Birmingham Metro Diversity Coalition  
Blue Ribbon Advocacy Alliance  
Blue Ribbon Advocacy Alliance  
Boat People SOS  
Brain Injury Association of Nebraska  
Calcasieu Council on Aging  
California Black Health Network  
California Healthcare Institute  
California Senior Advocates League  
Capital District African American Coalition on AIDS (CDAACA)  
Center for Health Care Services  
Centro Civico of Amsterdam, Inc.  
Centro de Mi Salud, LLC – Bilingual Behavior Health Care Services  
Chez Hope, Louisiana

Cimarron Alliance  
Coalition of Texans with Disabilities  
Colorado Gerontological Society  
Combined Health Agencies  
Comfort Keepers of Greater Charleston  
Community Action Association of Alabama  
Community Health Action Network  
Community Health Charities Iowa  
Community Health Charities of Florida  
Community Health Charities of Nebraska  
Community Health Charities of Wisconsin  
Community Volunteers Association, Louisiana  
COPD Foundation  
Council for Affordable Health Coverage  
Council on Aging of Greater Nashville  
Crohn' s & Colitis Foundation – Rocky Mountain Chapter  
Crohn' s & Colitis Foundation of America  
Crohn' s and Colitis Foundation of America Minnesota/Dakotas Chapter  
Daughters of Charity Services of New Orleans  
Des Moines WomenHeart  
Diabetes Dayton  
Disabled Rights Action Committee  
Easter Seals of Massachusetts  
Easter Seals UCP North Carolina  
Ehlers-Danlos Syndrome Network C.A.R.E.S. Inc.  
Elder Care Advocacy of Florida  
ElderServe  
Embracing Latina Leadership Alliances (ELLAS)  
Epilepsy Association of the Big Bend  
Epilepsy Foundation of East Tennessee

Epilepsy Foundation of Western Wisconsin  
Family and Youth Counseling Agency, Louisiana  
Federation of Protestant Welfare Agencies  
Filipino American Service Group, Inc. (FASGI)  
Firehouse Ministries, Louisiana  
First Step House  
FirstLight Senior Care  
Florida Hispanic Chamber of Commerce  
Florida Transplant Survivors Coalition, Inc.  
Friends of West End  
Genetic Alliance  
Georgia Bio  
Georgia Commission on Women  
Georgia Institute for Women  
Georgia Osteoporosis Initiative  
Global Healthy Living Foundation  
Greater Louisville Association of Health Underwriters  
Greater OK City Chamber of Commerce  
Guardia Care  
Guiding Right  
H.E.A.L.S of the South  
Harlem United Community AIDS Center  
Harvey Citizens for Part D  
Health Access, Louisiana  
Health Care Navigators  
Healthcare Leadership Council  
HealthHIV  
Healthy African American Families Phase II  
Healthy African American Families Phase II  
Healthy Heritage Movement

Hep C Connection, Colorado  
Hispanic Interest Coalition of Alabama (HICA)  
Hope House  
Houston Realty Business Coalition  
Illinois Biotechnology Industry Organization  
Independent Medicine, Prof. LLC  
Indiana Health Industry Forum  
Instructive Visiting Nurse Association (IVNA)  
Interamerican College of Physicians & Surgeons  
Interamerican College of Physicians and Surgeons  
Interdenominational Ministerial Alliance of Greater Mobile  
International Autoimmune Arthritis Movement (IAAM)  
International Institute For Human Empowerment, Inc.  
Iowa Biotech Association  
Iowa State Grange  
It' s About Me Breast Cancer Awareness Association  
Jefferson Council on Aging, Louisiana  
Jennings, Louisiana Medicare Access  
Jobkeeper Alliance  
Juvenile Diabetes Research Foundation of Utah  
Kansas Healthcare Leadership Council  
Kentucky Association of Health Underwriters  
Kentucky BioAlliance  
Kentucky BioProcessing  
Kentucky Chamber of Commerce  
Kentucky Senior Resources  
KeyVive  
Kidney Cancer Association  
Lafayette Council on Aging, Louisiana  
Lake Charles, Louisiana

Latin American Chamber  
Latino Commission on AIDS  
Latino Diabetes Association  
Leukemia & Lymphoma Society – Greater Los Angeles Chapter  
Leukemia & Lymphoma Society Iowa and Nebraska  
Leukemia and Lymphoma Society of San Diego  
Licensed Professional Counselors Association  
Life-Links Geriatric Care Management  
LifeScience Alley  
Los Angeles View Park Section National Council of Negro Women Inc.  
Louisiana Advocacy Center  
Louisiana Arthritis Association  
Louisiana Black Health TV  
Louisiana Blue Cross  
Louisiana for Part D  
Louisiana Health Access Network  
Louisiana Medicare RX Access Network  
Louisiana People' s Health  
Louisiana SHIP  
Louisiana Women' s Network  
LRI National Coalition  
LSU Medical Center  
Lupus Alliance of America, Long Island/Queens Affiliate  
Lupus Alliance of America, Upstate NY Affiliate  
Lupus Foundation of America, Iowa Chapter  
Lupus Foundation of America, Texas Gulf Coast Chapter  
Lupus Foundation of Florida, Inc.  
Lupus Foundation of Genesee Valley NY, Inc.  
Lupus Foundation of Mid and Northern New York  
Lupus Foundation of Oregon

Lupus Foundation of Southern California  
Lupus Foundation of Utah  
Magic Valley NAMI  
Manufacture Alabama  
Massachusetts Association for Mental Health  
Massachusetts Biotechnology Council  
Massachusetts Health Council  
Medical Oncology Association of Southern California  
MEDwheels, Inc.  
Men' s Health Network  
Mended Hearts, Inc.  
Mental Health America of Greater Tarrant County (TX)  
Mental Health America of Middle Tennessee  
Mental Health America of the Heartland  
Mental Health Association in New York State, Inc.  
Mental Health Association of Nebraska  
Metacyte Labs  
MichBio  
Missouri Chamber of Commerce and Industry  
Missouri Healthcare Leadership Council  
MO Bio  
Montana State Grange  
Mount Carmel Health System  
Mountain Health and Community Services  
NAACP NY  
NAACP, Ogden Branch  
NAMI – Mid-Carolina  
NAMI – Nebraska  
NAMI Florida  
NAMI Iowa

NAMI North Carolina  
NAMI of Oklahoma  
NAMI Ohio  
NAMI-PA  
NAMI-SD  
NAMI-WY  
NAMI, Utah  
NASW-NC  
National Alliance on Mental Illness  
National Asian Pacific American Center on Aging  
National Association for Continenence (NAFC)  
National Association for Medical Direction of Respiratory Care  
National Association of Health Underwriters  
National Association of Manufacturers  
National Association of Nutrition and Aging Services Programs  
National Association of People with AIDS  
National Black Nurses Association  
National Council for Community Behavioral Healthcare  
National Council of Negro Women: Southern California Area, View Park Section  
National Council on Asian Pacific Islander Physicians  
National Health Foundation  
National Hispanic Medical Association  
National Kidney Foundation serving Ohio  
National Medical Association  
National Minority Quality Forum  
National Taxpayers Union  
NC Action for Children  
NC Biotechnology Center  
NC Psychological Association  
NCBio

Neighborhood Health Association  
New Orleans Council on Aging  
Newborn Coalition  
Norman Chamber of Commerce  
North Carolina AIDS Action Network  
North Carolina Association of Health Underwriters  
North Carolina Chamber  
North Idaho AIDS Coalition  
Northeast Kidney Foundation  
Northern Utah Coalition  
Ohio AIDS Coalition  
Ohio Council for Home Care and Hospice  
OK City Area Agency on Aging  
Okie' s Pharmacy  
Oklahoma Association of Optometric Physicians  
Old North State Medical Society  
Oncology & Hematology Institute, Louisiana  
Oregon Bioscience Association  
Oregon Chamber of Commerce  
Other Options Food Pantry  
Ovarian Cancer Coalition of Greater California  
Owensboro Medical Center  
Pacific Islander Chamber of Commerce  
Palmetto AIDS Life Support Services  
Parkinson' s Association of San Diego  
Parkinson' s Partners  
Partners in Care Foundation  
Partnership For A Drug Free NC  
Patient Services Inc.  
PAX CHRISTI NEW ORLEANS

Pennsylvania Bio  
Perennial Services Network  
Plaza Community Services  
Prairie Healthcare Advocacy, Inc.  
Prescription Access Network of Stark County, Inc.  
Prevent Blindness Iowa  
Prevent Blindness Ohio  
Project Success  
RAIN Oklahoma  
Reels for Recovery  
RetireSafe  
Rio Grande Valley Diabetes Association  
Rio Grande Valley Partnership  
Rocky Mountain Stroke Center  
Rush to Live  
RxMed Pharmacy  
S.L.E. Lupus Foundation  
SAGE Utah  
San Clemente Collaborative  
Scleroderma Foundation/Tri-State Chapter  
Senior Connections, The Capital Area Agency on Aging  
Sjögren' s Syndrome Foundation  
Small Business & Entrepreneurship Council  
South Carolina HIV-AIDS Council  
South Dakota Cares  
Southeast Georgia Communities Project  
Southhall Oubre Clinic, Louisiana  
State Chamber of Oklahoma  
Tech Council of Maryland  
Teche Action Clinics, Louisiana

Tennessee Association of Health Underwriters  
Terrebonne Council on Aging, Louisiana  
Teva  
Texas Association of Business  
Texas Association of Manufacturers  
Texas Bio Corridor Alliance  
Texas BioAlliance  
Texas Business Group on Health  
Texas Conservative Coalition Research Institute  
Texas Healthcare and Bioscience Institute  
Texas Nurse Practitioners  
Texas Oncology  
Texas Research & Technology Foundation  
Texas Senior Advocacy Coalition  
The AIDS Institute  
The G.R.E.E.N. Foundation  
The International Autoimmune Arthritis Movement  
The Latino Coalition  
The Minority Health Institute  
The National Grange  
The Wall Las Memorias Project  
TMJ Society of California  
Transition House  
Twin Falls Senior Center  
United Cerebral Palsy of Alabama  
Urban League of Portland  
US Chamber of Commerce  
US Pain Foundation  
Utah Advocates  
Utah Black Chamber

Utah Developmental Disabilities Council  
Utah Hispanic Chamber of Commerce  
Utah Public Employees' Association  
Utah Support Advocates for Recovery Awareness  
Veterans Health Council  
Vietnamese Social Services of Minnesota  
Virginia Biotechnology Association  
Virginia Chamber of Commerce  
Virginia Rural Health Association  
Visiting Nurses Association  
Windows of Hope, Louisiana  
Wisconsin Women's Health Foundation  
Wisdom of Wellness Project  
Women Against Prostate Cancer  
Women of Faith and Hope, Inc.  
Women's Health Access Project, Louisiana  
Womens3D  
Wood River Valley NAMI  
Wound Care Clinic  
Wyoming Epilepsy Association  
ZERO – The End of Prostate Cancer