

March 24, 2014

The Honorable Harry Reid
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, DC 20510

The Honorable Ron Wyden
Chairman, Finance Committee
U.S. Senate
Washington, DC 20510

The Honorable Orrin Hatch
Ranking Member, Finance Committee
U.S. Senate
Washington, DC 20510

Dear Senator Reid, Senator McConnell, Senator Wyden and Senator Hatch:

The undersigned organizations are writing to express support for the Medicare SGR Repeal and Beneficiary Access Improvement Act of 2014 (S. 2110). Our organizations share a commitment to advancing the health and economic security of older adults, people with disabilities and their families. The Sustainable Growth Rate (SGR) formula is fundamentally flawed and permanent changes to the Medicare reimbursement system are long overdue. We are encouraged by the policies reflected in S. 2110 that will replace the current volume-based payment system with one that rewards quality, efficiency and innovation. At the same time, we remain very concerned that the Qualified Individual (QI) program, a benefit essential to the financial security of low-income beneficiaries, is not made permanent in the legislation.

While it is in the best interest of Medicare beneficiaries and their doctors to find a permanent SGR solution, we do not support paying for an SGR package by increasing the burden of health care costs for people with Medicare. Half of all Medicare beneficiaries—nearly 25 million older adults and people with disabilities—live on annual incomes of \$23,500 or less, and one quarter live on \$14,400 or less.¹ Most people with Medicare simply cannot afford to pay more for health care.

We support moving ahead on a permanent SGR solution, along with key extenders, without the inclusion of offsets that would make Medicare unaffordable for beneficiaries, jeopardize access to needed care, or worsen the already tenuous economic circumstances facing most people with Medicare. We also believe that unspent Overseas Contingency Operations (OCO) funds represent a responsible offset option.

We appreciate that S. 2110 includes many important extender policies, such as repeal and replacement of the therapy caps and outreach and enrollment assistance to low-income beneficiaries. However, S. 2110 only extends the QI benefit through 2018. We believe that Congress should make the QI program permanent alongside repeal and permanent replacement of the SGR. S. 2110 provides security to Medicare physicians, both through payment increases and a measured transition to a new payment system. We continue to urge that this same security be extended to low-income older adults and people with disabilities through a permanent QI program.

Sincerely,

¹ Jacobson, G., Huang, J., Neuman, T., and K.E. Smith, "Income and Assets of Medicare Beneficiaries, 2013 – 2030," (Kaiser Family Foundation: January 2014), available at: <http://kff.org/report-section/income-and-assets-of-medicare-beneficiaries-2013-2030-issue-brief-savings-of-medicare-beneficiaries/>

Association of University Centers on Disabilities
Center for Medicare Advocacy, Inc.
Family Voices
Medicare Rights Center
National Adult Day Services Association
National Association for Home Care & Hospice
National Association of Area Agencies on Aging (n4a)
National Association of County Behavioral Health & Developmental Disability Directors
National Association of Professional Geriatric Care Managers
National Association of State Head Injury Administrators
National Association of States United for Aging and Disability (NASUAD)
National Committee to Preserve Social Security and Medicare
National Council on Aging
National Hispanic Council on Aging
National Senior Citizens Law Center
OWL-The Voice of Midlife and Older Women
Services and Advocacy for GLBT Elders (SAGE)
Women's Institute for a Secure Retirement (WISER)