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U.S. House of Representatives

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September 28, 2010

The Honorable Kathleen Sebelius
Secretary
Department of Health and Human Services
200 Independence Ave., S.W.
Washington, D.C. 20201

Dear Secretary Sebelius,

We are alarmed that the Centers for Medicare and Medicaid Services (CMS) has arbitrarily decided to limit beneficiaries' choice of Part D prescription drug plans, particularly since these actions were not taken as a result of plans failing to meet their statutory or regulatory requirements, but instead to supposedly reduce beneficiary confusion. Under this misguided, paternalistic notion that the agency can define for seniors how much choice they desire or which drug plan they should like best, CMS has taken action every year under President Obama's Administration to eliminate prescription drug plans that federal bureaucrats deemed duplicative or unnecessary.

The effect, however, is likely to be more confusion. The Associated Press, for instance, noted that CMS' decisions to eliminate popular prescription drug plans, "could cause some head-scratching and confusion." Compounding the confusion is the actual impact on affected seniors. Avalere, a leading health care research firm, predicts that because of CMS' actions, more than 3 million seniors will be forced out of their current Medicare prescription drug plan.

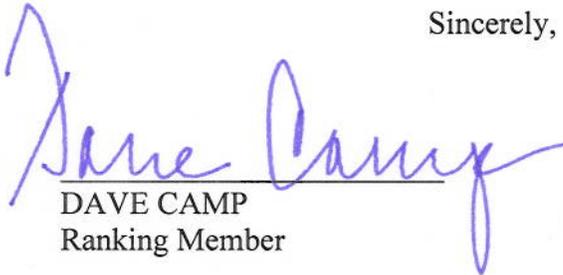
The impact, for many seniors, will be higher monthly premiums for Part D coverage. For example, CMS has arbitrarily decided to shut down the second most popular prescription drug plan, AARP MedicareRx Saver, which currently enrolls more than 1.5 million Medicare beneficiaries. To "mitigate" this harm, CMS intends to automatically enroll effected seniors into a drug plan whose premiums are **15 percent higher** than the plan terminated by CMS. CMS is also terminating the eighth most popular plan that currently enrolls nearly one-half million Medicare beneficiaries.

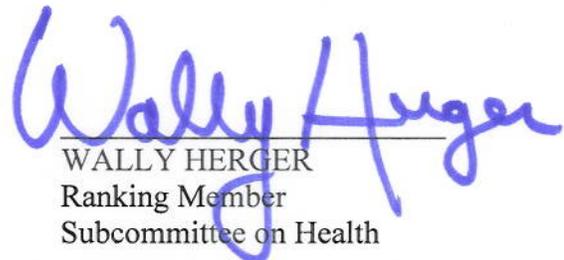
All told, Avalere predicts monthly premiums for the top 10 Part D plans, which cover 7 in 10 Part D enrollees, will increase by 10 percent next year. Avalere noted that one plan, which currently has nearly 600,000 enrollees, will increase its premiums by nearly 45 percent (from less than \$64 per month to nearly \$91 per month) in part because of CMS' decision to terminate drug plans.

The Deputy Director of the division that regulates Part D plans counters that seniors who will be harmed because of CMS's actions will simply enroll in a lower cost plan. However, this statement directly contradicts CMS' decision to automatically enroll more than 1.5 million current enrollees of AARP MedicareRX plan into a more costly plan. This "government knows best" approach to health care is a frightening consequence of the decision to break the President's pledge that "if you like the plan you have you can keep it."

We hereby request that CMS immediately provide all documents and correspondence related to CMS' decision to eliminate prescription drug plans over the last two years, including any analysis that was conducted to determine the impact such decisions would have on premiums of displaced beneficiaries so that Congress can consider how best to protect seniors from such decisions in the future. Given that the Part D open enrollment period begins November 15th, we request a thorough response by October 8th.

Sincerely,


DAVE CAMP
Ranking Member


WALLY HERGER
Ranking Member
Subcommittee on Health