



THE SENIORS COALITION

Working for a Responsible America

June 24, 2002

The Honorable Nancy Johnson
Chairman
Subcommittee on Health
Committee on Ways and Means
1136 Longworth House Office Building
Washington, DC 20515

The Honorable Michael Bilirakis
Chairman
Subcommittee on Health
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

Dear Chairmen Johnson and Bilirakis:

The Seniors Coalition and its four million members strongly endorse "The Medicare Modernization and Prescription Drug Act" (H.R. 4954). This measure, if enacted, will strengthen and improve Medicare, as well as add much-needed prescription drug coverage to the program. We commend you for your leadership and advocacy on behalf of seniors in introducing and moving this bill forward. We urge all House members to vote for this measure when it goes to the floor this week.

H.R. 4954 provides seniors with real and immediate relief from the high retail cost of prescription drugs through affordable coverage options. With permanent drug coverage available for about \$1 a day, seniors can cut the cost of their medicines by as much as 60 to 85 percent. Under this voluntary program, seniors can choose a plan that provides standard drug coverage or an improved benefit package to meet their pharmaceutical care needs.

Low-income seniors will receive greater relief under the measure. They will typically pay about \$2 to \$5 for each prescription. Those seniors with incomes below 150 percent of the poverty level will pay no monthly premiums, while seniors with incomes between 150 percent and 175 percent of the poverty level will pay reduced monthly premiums.

For the first time, the bill guarantees seniors a secure entitlement to a drug benefit and a choice of a pharmacy plan. At the same time, it protects the private healthcare coverage that many seniors have.

The bill protects all plan participants against catastrophic costs, with out-of-pocket expenditures capped at \$3,800 per year. This will safeguard the savings and assets seniors have accumulated during their working lifetimes from losses caused by runaway drug costs.

H.R. 4954 will also reduce the out-of-pocket expenses for critical medicines by as much as 70 percent. By combining their buying power as consumers, seniors will enjoy the same benefits of lower drug costs that those under 65 enjoy. Seniors who take part in the program will receive a discount card, accepted at participating pharmacies, that will give them immediate savings on their prescription drug purchases.

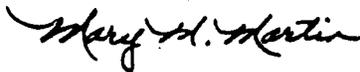
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The measure also strengthens the Medicare+Choice program, gives incentives to providers to serve rural communities, boosts payments to hospitals, and increases physician payments to ensure quality care. Among other important provisions, the bill will ease paperwork burdens and improve Medicare's responsiveness to beneficiaries and healthcare providers.

The Medicare Modernization and Prescription Drug Act of 2002 provides a guaranteed drug benefit to seniors and a choice of plans, while protecting the private coverage that many seniors have. Enactment of this measure will result in substantial savings for all seniors by helping them afford needed prescription drugs. It achieves this in a fiscally responsible way.

Thank you again for your efforts on behalf of America's seniors. This key vote will be included in our legislative scorecard for the 107th Congress which we will distribute to our members before the fall election.

Sincerely,

A handwritten signature in cursive script that reads "Mary M. Martin".

Mary M. Martin
Chairman of the Board
Executive Director