Alliance for Retired Americans®

President
George J.Kourpias

Secretary-Treasurer
Ruben Burks

July 25, 2007

Honorable Charles Rangel, Chair
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Rangel:

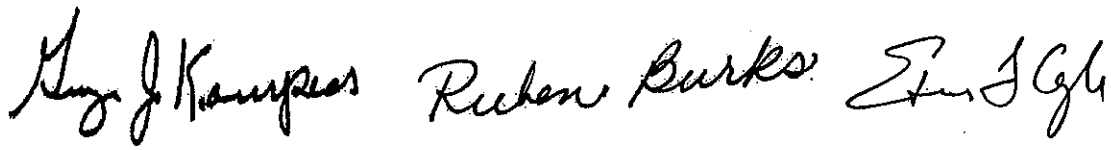
On behalf of our more than three million members, the Alliance for Retired Americans endorses H.R. 3162, "The Children's Health and Medicare Protection Act of 2007." We believe that this bill will protect and strengthen the Medicare program for current and future beneficiaries.

The Alliance has long advocated for improvements in Medicare benefits. This legislation includes coverage and waiver of cost sharing and deductibles for preventive and essential screening services as well as reducing the coinsurance for mental health services. We also support the provisions protecting low-income beneficiaries, such as adjusting the assets test for the Medicare Savings and Low-Income Subsidy programs and expanding and making the Qualified Individual (QI) program permanent. These provisions will directly improve the quality of life for retirees.

The Alliance has grave concerns with the Medicare Advantage (MA) program. We object strongly to overpayments to MA plans, which are 12 to 19 percent more than the cost would be under Medicare. The MA program increases the Part B premiums of all beneficiaries, including those who are not in MA plans. This payment arrangement also jeopardizes the fiscal health of the Medicare program. In addition, there have been cases of fraudulent enrollment and misrepresentation of benefits, insufficiency in benefits coverage particularly by private fee-for-service plans, and erratic quality across plans. H.R. 3162 addresses these serious concerns.

Next Monday, July 30, is the anniversary of the signing of the Medicare law. Enactment of H.R. 3162 will be a significant step to ensure that the intent of Medicare to provide affordable health care to America's seniors remains as strong today and in the future as it was in 1965.

Sincerely yours,



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