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November 18, 2003

The Honorable J. Dennis Hastert
Speaker of the House
United States House of Representatives
Washington, DC 20515

The Honorable Bill Frist
United States Senate
Washington, DC 20510

Dear Mr. Speaker and Mr. Majority Leader:

Congratulations on your successful efforts to forge a compromise agreement to improve and modernize Medicare to include the addition of prescription drugs for the first time. This is truly a remarkable and historic achievement for our Medicare seniors and health care in general, and on behalf of Aetna and the 13 million people we cover with health insurance products, we applaud and commend your work.

While our analysis of your proposal is only preliminary inasmuch as the language is not yet final, let me share with you our thoughts based on our understanding of the agreement. Overall, we are quite pleased with this outcome because we view it as preserving and strengthening the valuable role of health plans in Medicare and providing the program with the financial support essential to address the Baby Boom generation about to retire.

In particular, your compromise holds out the promise of adequate reimbursement for health plans (which should increase health plan participation and decrease withdrawals) while adding new and important tools and techniques (such as disease management and preventive medicine programs) to help us all improve health care quality and reduce costs along the way. My colleagues and I in geriatrics have been calling for more care coordination and preventive services in Medicare for over a decade, which makes the disease management provisions a key component of the compromise. Additionally, we are quite pleased that seniors will have the opportunity to join a health plan PPO on a regional basis and that providers will be given incentives to join such PPO networks, which will allow insurers like Aetna to act like more like insurers by pooling and spreading risk and offering more choices.

As Chairman and CEO of Aetna, I am committed to making a difference in health care for all Americans. Aetna has been a supporter of the Medicare program since its inception in 1965; indeed, we processed the very first Medicare claim. Currently, we participate in both the Medicare + Choice program and the PPO Demonstration Project, and for the past five years I have served as a MedPAC Commissioner. Clearly, I have a great personal and professional interest in Medicare and I lead a company which shares my views on the need to provide our seniors with the highest quality health care with the widest range of choices of plans.

Your compromise moves us further along this path than ever before, and I urge Congress to complete the task and pass this legislation before Thanksgiving.

Sincerely,

John W. Rowe, M.D.