



Business Roundtable

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BY HAND

November 18, 2003

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Co-Chairman

John J. Castellani
President

Patricia Hanahan Engman
Executive Director

The Honorable William Thomas
United States House of Representatives
2208 Rayburn House Office Building
Washington DC 20515

Dear Representative Thomas:

On behalf of the Business Roundtable, an association of 150 leading U.S. companies, I urge you to vote for the conference report on H.R. 1 – the Medicare Prescription Drug & Modernization Act of 2003. We are on the verge of the most significant health care reform in a generation. This landmark legislation will modernize Medicare and provide seniors with a prescription drug benefit plan that they deserve and desire. We urge you to act now and finish the job.

From employers' perspective, this agreement addresses four core principles:

- **Medicare should be modernized and reformed.** We support the policies, like those contained in this conference report, that allow seniors to choose either private plan options or traditional Medicare with enhanced benefits.
- **Medicare should offer all seniors a prescription drug benefit.** This conference report provides an affordable Medicare drug benefit to all Medicare beneficiaries, including retirees covered by employer-sponsored plans.
- **Medicare should provide greater choices and more access to quality information.** This conference report permits seniors greater choices in the offering of benefits and provides them with more information about cost and quality. We are also pleased that H.R. 1 adopts private sector efforts, such as disease management programs.
- **Medicare should provide flexible options for beneficiaries and employers.** This conference report provides employers flexibility on integrating this new benefit into their retiree health care programs, including the ability of the retiree plan to enhance the Medicare benefit or accept a subsidy. We appreciate the inclusion of these options, as well as ensuring these new benefits are not considered taxable income.

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Congressional conferees, led by Chairman Thomas and Senators Grassley, Breaux and Baucus, have developed an historic bipartisan conference report. This legislation will improve the quality of health care for millions of senior citizens. It will appropriately reform the Medicare program by giving seniors a prescription drug benefit they deserve. It will provide seniors private plan choices just like those offered through the Federal Employees Health Benefit program. It also provides greater consumer choices and more access to quality information.

The conference language also recognizes the importance of retiree health plans by enabling employers to continue providing coverage to retirees. Overall, employers voluntarily provide prescription drug coverage to 12 million of the nation's Medicare beneficiaries, and many companies provide retirees with benefits – such as dental and vision coverage – that expand on the Medicare benefit. Employers are committed to providing employees and retirees with benefit programs that promote effective care for improved health. This legislation will assist us in that commitment.

We urge all members of Congress to support H.R. 1. The Business Roundtable urges you to quickly adopt the conference report and send a final bill to President Bush for his signature.

Sincerely,

A handwritten signature in black ink, appearing to read "Glen Barton". The signature is fluid and cursive, with a large initial "G" and "B".

Glen Barton
Chairman and CEO
Caterpillar Inc.
Chairman
Health & Retirement Task Force
Business Roundtable

Enclosure