



July 25, 2007

Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Representative:

On behalf of the more than 1.4 million members of the American Federation of Teachers (AFT), we urge you to support H.R. 3162, the Children's Health and Medical Protection Act.

H.R. 3162 is a carefully balanced bill that takes strong steps to increase healthcare coverage for low-income children, to improve essential benefits for Medicare recipients and to provide adequate payment for doctors providing Medicare benefits. These changes are made in a fiscally responsible manner and will result in an additional 3 million low-income children receiving healthcare benefits.

H.R. 3162 meets the requirements of the congressional budget resolution by scaling back the costly Medicare Advantage Program and raising the federal excise tax on tobacco.

The AFT strongly supports the coverage of additional children under the SCHIP and Medicaid programs, and the inclusion of dental and mental health benefits for all eligible children.

The bill also includes new Medicare coverage for preventive healthcare services and other protections for low-income Medicare beneficiaries, as well as a reduction in the fee for their mental health services.

H.R. 3162 reverses the required reduction of annual payments to doctors for Medicare services. The new legislation eliminates these reductions in 2008 and 2009 and replaces them with a 0.5 percent increase in doctors' fees.

We are pleased that H.R. 3162 pays for these important changes in a fiscally responsible manner. Medicare Advantage (MA) plans and their predecessors were justified as a means to save money for the Medicare system by using private HMOs and insurance companies instead of traditional Medicare. Unfortunately, this was not the case. The cost of MA plans has grown beyond the cost of traditional Medicare. MA plans cost on average 12 percent more than traditional Medicare and would result in hastening the insolvency of Medicare by two years.

American Federation
of Teachers, AFL-CIO

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AFT Higher Education
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AFT Healthcare

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The legislation correctly phases out these Medicare Advantage subsidies and redirects these funds to the important programs covered in this bill. In addition, a 45 cent increase in the cigarette tax provides essential funding for these vital programs.

H.R. 3162 is important legislation designed to improve the healthcare of our nation's children and Medicare beneficiaries. I urge you to support this bill.

Sincerely,

A handwritten signature in black ink, appearing to read 'KWC', with a long horizontal flourish extending to the right.

Kristor W. Cowan
Director, Legislation Department

KWC:emc opeiu#2 afl-cio