



July 26, 2007

The Honorable John Dingell, Chairman  
The Honorable Frank Pallone, Health Subcommittee Chairman  
Energy & Commerce Committee  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairmen Dingell and Pallone:

On behalf of the National Council on Aging (NCOA) – the nation’s first organization formed to represent America’s seniors and those who serve them – we write to express our strong support for H.R. 3162, the *Children’s Health and Medicare Protection (CHAMP) Act*. The bill would strengthen Medicare in a number of important ways, and would significantly improve access to health care for seniors in greatest need.

Central to NCOA’s mission is ensuring that vulnerable, low-income seniors are enrolled in the available needs-based benefits for which they are eligible. Millions of Medicare beneficiaries with limited incomes cannot afford to pay for the health services they need and are not receiving the assistance they deserve. The Medicare Prescription Drug Low-Income Subsidy (LIS) and Medicare Savings Programs (MSPs) provide significant assistance with premiums and cost-sharing to seniors in the greatest need, helping them to remain healthier, independent, and in their own homes longer. The MSPs provide these important protections against unaffordable out-of-pocket costs to low-income beneficiaries under Medicare Parts A and B. A disproportionately high number of seniors eligible for these assistance programs are minorities.

Unfortunately, there are significant barriers to participating in these programs and enrollment rates have historically been unacceptably low – less than one in seven of those eligible are currently enrolled in one MSP program, for example. In addition, up to 4.2 million Medicare beneficiaries are eligible for, but not enrolled in, the Part D LIS program.

NCOA strongly supports strengthening the LIS and MSP programs for seniors in greatest need. We are particularly pleased that H.R. 3162 would make the following critical improvements:

- Increasing the asset eligibility levels for LIS and MSP eligibility to \$17,000 for an individual (\$34,000 for couples) in 2008, and increasing those limits by \$1,000 (\$2,000 for couples) annually starting in 2010. Low-income seniors who did the right thing by saving a modest nest egg for retirement should not be denied the help they need;
- Allowing those people eligible for the LIS to enroll in the program at any time, without incurring a premium penalty. This would align Medicare Part D with Part B rules;
- Making the Qualified Individual program (scheduled to expire September 30) permanent and increasing eligibility to 150% of poverty. The QI program has been very unstable, with reauthorizations made for short periods at the last minute just as the

program was scheduled to expire. Such instability has caused havoc and uncertainty in the lives of those who rely on the benefit and runs counter to Medicare's goal of providing health security to those in greatest need;

- Removing complex, unnecessary question from the LIS application form, such as questions concerning the cash surrender value of life-insurance and the value of in-kind support and maintenance, which has discouraged family members from helping low-income older relatives with basic needs;
- Simplifying the LIS and MSP application processes; and
- Capping or reducing out-of-pocket costs for vulnerable beneficiaries.

In addition, we support a number of other improvements for seniors included in the bill:

(1) eliminating cost sharing for Medicare preventive benefits; (2) providing parity for Medicare outpatient mental health services by gradually reducing copayments; (3) improving access to Medicare prescription drugs that are most appropriate for patients' health care; (4) strengthening consumer protections in Medicare plans; (5) increasing funding for State Health Insurance Assistance Programs (SHIPs); (6) reducing Medicare premiums and improving solvency by leveling the playing field between the traditional fee-for-service program and private Medicare Advantage plans; (7) extending Medicare therapy caps exceptions; and (8) allowing states to continue to provide adult day services under their Medicaid state plans.

Without question, H.R. 3162 will significantly improve the lives of America's seniors. NCOA is particularly pleased that the bill would make critical, long overdue improvements for Medicare beneficiaries in greatest need, many of whom are chronically ill widows, disproportionately minorities, and struggle to survive with income of only about \$1,000 per month.

Thank you for your strong leadership on behalf of older Americans. NCOA urges members of Congress to support the CHAMP Act. We look forward to working with you and your staff to enact these important provisions into law this year.

Sincerely,

Howard Bedlin  
Vice-President, Public Policy & Advocacy  
National Council on Aging