



Leadership Council of Aging Organizations

William (Larry) Minnix, Jr., Chair

January 5, 2007

Sent Via Fax

The Honorable John Dingell
Chair, Energy and Commerce Committee
House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

On behalf of the Leadership Council of Aging Organizations (LCAO) we are writing regarding an issue of critical importance to the aging community and our member organizations: the ability of the Secretary of Health and Human Service to negotiate for lower drug prices for Medicare beneficiaries. We applaud your leadership on this issue and look forward to working with you on this and other issues affecting older people.

Medicare is the cornerstone of the healthcare system for older people, now covering more than half of all medical and drug needs for beneficiaries. LCAO members are actively engaged in implementing policies to amend and improve the Medicare Modernization Act of 2003 (MMA) in order to better serve America's seniors and people with disabilities.

With specific regard to lowering the price of prescription drugs we support the following:

Price Negotiation for Lower Cost Drugs

We recommend giving the Secretary of HHS the authority and duty to negotiate for lower drug prices for Medicare beneficiaries just as the Department of Veterans Affairs does. Price negotiations make good business sense and would save money not only for the beneficiaries but for all taxpayers.

Medicare Option for Prescription Drug Coverage

We recommend providing all beneficiaries with the option to enroll in a Medicare-administered prescription drug plan. A Medicare-operated Part D plan with drug prices directly negotiated with pharmaceutical companies would deliver billions of dollars in savings. Such savings, in turn, could be used to close Part D's doughnut hole and to lower cost-sharing for Medicare beneficiaries. Medicare beneficiaries should be given the choice to get their prescription drug benefit from the traditional Medicare program that they know and trust.

Thank you for tackling these issues. Lowering drug prices is important policy that will make a huge difference in the lives of America's older people and is simply good fiscal policy. We look forward to working with you to advance this agenda.

Sincerely,

AFL-CIO
AFSCME Retiree Program
Alliance for Retired Americans
American Association for International Aging
American Association of Homes and Services for the Aging
American Federation of Teachers Program on Retirement & Retirees
American Postal Workers Union Retirees
American Public Health Association
American Society on Aging
Association for Gerontology and Human Development in Historically Black Colleges and Universities
B'nai B'rith International
Families USA
International Union, United Auto Workers
National Academy of Elder Law Attorneys
National Active and Retired Federal Employees Association
National Association of Area Agencies on Aging
National Association of Professional Geriatric Care Managers
National Association of Retired and Senior Volunteer Program Directors, Inc.
National Association of Senior Companion Project Directors
National Association of State Units on Aging
National Caucus and Center on Black Aged, Inc.
National Citizens' Coalition for Nursing Home Reform
National Committee to Preserve Social Security and Medicare
National Senior Citizens Law Center
OWL, The Voice of Midlife and Older Women
Service Employees International Union
United Jewish Communities