

Dingell Responds to CMS Announcement on New Medicare Premiums, Cites Overpayments as a Cause of Increases

Rep. John D. Dingell (D-MI), Chairman of the Committee on Energy and Commerce, today responded to the Centers for Medicare and Medicaid Services' (CMS) announcement of the new Medicare premium and deductible amounts for 2008.

NEWS RELEASE

Committee on Energy and Commerce

Rep. John D. Dingell, Chairman

For Immediate Release: October 1, 2007

Contact: Jodi Seth or Brin Frazier, 202-225-5735

Dingell Responds to CMS Announcement on New Medicare Premiums, Cites Overpayments as a Cause of Increases

Washington, DC — Rep. John D. Dingell (D-MI), Chairman of the Committee on Energy and Commerce, today responded to the Centers for Medicare and Medicaid Services' (CMS) announcement of the new Medicare premium and deductible amounts for 2008. According to CMS, Medicare Part B premiums, which pay for physician services, will rise to \$96.40 a month, from \$93.50 a month in 2007. The Medicare Part A deductible, which applies to inpatient hospital services, will increase to \$1,024 a year.

"Increases in Medicare premiums are the result of overpayments to the insurance companies that are trying to privatize Medicare," said Dingell. "These increases do not go unnoticed by seniors, particularly the millions who are struggling to make ends meet with little more than a Social Security check."

In July, the House of Representatives approved H.R. 3162, the Children's Health and Medicare Protection (CHAMP) Act, which would have helped more low-income seniors qualify for assistance with the cost of their Medicare premiums. This legislation would have provided a savings of nearly \$1200 per person per year, but its Medicare provisions were not included in H.R. 976, the Children's Health Insurance Program (CHIP) Reauthorization Act, which reflects House-Senate negotiations.

"One of my top priorities this fall will be making sure the Medicare improvements included in the CHAMP Act are sent to the President for signature," said Dingell. "Recent news about insurers inflating premiums for millions of very poor seniors reinforces the need to make improvements to the Part D drug program, as well. It just doesn't make sound medical sense, or good common sense, to have the poorest, most vulnerable seniors shut out of their drug plan each year."

America's seniors are also facing premium increases by private insurance plans that operate prescription drug plans, known as Part D, which operates largely unbothered by oversight from CMS. A market analysis released Friday indicates that at least 1.6 million low-income Medicare beneficiaries will be forced to either switch Medicare drug plans — and potentially disrupt care and treatment — or pay more out of pocket to keep access to drug coverage.

- 30 -

Prepared by the Committee on Energy and Commerce

2125 Rayburn House Office Building, Washington, DC 20515