



President
George J.Kourpias

Secretary-Treasurer
Ruben Burks

June 24, 2003

Dear Representative:

The Alliance for Retired Americans, on behalf of its 3 million members across the country, urges you to oppose H.R. 1, the Medicare Prescription Drug and Modernization Act of 2003.

This legislation is a direct threat to the survival of the Medicare system and the 40 million Americans who depend on it for their vital health care needs. The Alliance has developed a set of principles for a comprehensive Medicare prescription drug program. The benefit must be defined, universal and voluntary. The program should provide full access to all medically necessary medications. It should also include incentives for employers to offer retiree prescription drug coverage as well as drug cost containment provisions.

H.R. 1 violates nearly all of our principles:

- It does not have a defined benefit. Private health plans will be able to offer a different benefit than the suggested model.
- It would force seniors into private insurance plans with varying premiums, deductibles, and cost sharing. It turns Medicare into a privatized voucher system in 2010.
- It has a major gap in coverage leaving beneficiaries to pay premiums plus 100 percent of their expenses out-of-pocket before coverage is reinstated.
- It provides disincentives for employers to continue retiree prescription drug coverage because of a low subsidy rate and the method of calculating out-of-pocket expenses for beneficiaries.

The Alliance for Retired Americans urges you to oppose H.R. 1. We are committed to the enactment of a universal, comprehensive, and affordable defined prescription drug benefit under Medicare that brings drug prices down. This flawed legislation fails on all counts.

Sincerely,

A handwritten signature in black ink, appearing to read "Edward F. Coyle".

Edward F. Coyle
Executive Director