



AMERICAN BENEFITS
COUNCIL

June 26, 2008

To the Members of the United States Senate:

The American Benefits Council appreciates the desire to move quickly to prevent cuts in Medicare payments to physicians prior to July 1, 2008. We are concerned, however, that the Medicare Improvements and Patients and Providers Act of 2008 (H.R. 6331) will also impair the Medicare Advantage program, which has been shown to be extremely helpful to retired American workers who are eligible to participate in the Medicare program. We respectfully request that the Congress reconsider any provisions in the measure that would be detrimental to this important option. Medicare improvements and increased physician reimbursements should not be funded through cuts to the Medicare Advantage program.

The American Benefits Council is a public policy organization representing principally Fortune 500 companies and other organizations that assist employers of all sizes in providing benefits to employees. Collectively, the Council's members either sponsor directly or provide services to health and retirement plans that cover more than 100 million Americans.

Our members are committed to providing the best quality benefit plans to their workers and retirees. Accordingly, Medicare Advantage plans are a key option for employer-provided retiree health benefits. Medicare Advantage plans have been chosen by millions of American retirees. Retirees favor Medicare Advantage plans offer expanded choice, lower out-of-pocket costs and high quality services by coordinating medical and prescription drug coverage, coordination of care and chronic care services. In addition to its other benefits, Medicare Advantage helps plan sponsors provide uniform benefits to their retirees nationwide.

A provision that would codify the inclusion of certain therapeutic classes of drugs in the Medicare Part D benefit is an additional concern we share with other members of the plan sponsor community. Such codification mandates coverage of all drugs in a class notwithstanding a determination of their effectiveness or safety. This provision would also require an act of Congress to alter this coverage mandate rather than allow CMS, or the plans that Medicare authorizes, to address these issues. Medicare Part D has been successful, in part, because of market competition that allows beneficiaries to make choices among various plans that that best suit their needs and budgets.

Finally, the American Benefits Council strongly supports inclusion of electronic prescribing provisions in the Medicare Improvements and Patients and Providers Act. Our member companies support the e-prescribing provision because we believe it will increase utilization of this technology, prevent medical errors, increase patient safety and provider efficiency and help control costs - a goal that we know you share.

Thank you for your work on this legislation.

Sincerely,

James A. Klein
President