

# **Employers' Coalition on Medicare**

June 20, 2008

To Members of the United States Senate:

On behalf of the Employers' Coalition on Medicare, we are writing to express our concerns with the Medicare legislation that is currently under development.

Medicare Advantage is an important option that many employers include in their employer-sponsored retiree benefits that provides integrated medical and prescription drug coverage, dental coverage, care coordination and chronic care initiatives. Many employers use the Medicare Advantage (MA) Private Fee-for-Service (PFFS) option to provide a uniform benefit to their retirees nationwide.

Limitations on employers' ability to offer the MA PFFS option, as well as severe reductions in MA payments, would hurt retirees who prefer these plans, and would disproportionately hurt beneficiaries who are located in areas where there are no other Medicare Advantage options available.

In addition, we are concerned about a provision that would codify the inclusion of certain therapeutic classes of drugs in the Part D drug benefit. Codification of specific classes of drugs arbitrarily mandates coverage of all drugs in a class notwithstanding a determination as to the effectiveness or safety of individual drugs. This could place a beneficiary at risk. In addition, the provision would require an act of Congress to alter the requirement. It is strongly preferable that Congress allows CMS and health plans to address these issues, rather than to intervene in this manner.

We urge you to maintain adequate funding and flexibility for Medicare Advantage plans and to avoid prescriptive formularies. In doing so, employers, unions and trusts will be able to offer these plans as a viable option to meet the needs of retirees.

Sincerely,

Employers Coalition on Medicare