



February 13, 2012

The Honorable Dave Camp  
Chairman  
341 Cannon House Office Building  
Washington, D.C. 20515

The Honorable Max Baucus  
Vice Chairman  
511 Hart Senate Office Building  
Washington, D.C. 20510

Dear Chairman Camp and Vice Chairman Baucus:

On behalf of millions of members nationwide and all Americans age 50 and older, AARP urges you to include in any Conference Committee agreement legislation to address the impending Medicare physician payment cuts. AARP believes the currently flawed payment system ("SGR") must be reformed, and we urge Congress to enact the longest possible resolution to the SGR problem -- without harmful cuts to beneficiaries. Today, over 47 million older Americans and Americans with disabilities depend on Medicare, which is the bedrock of health security for these individuals and their families.

Medicare beneficiaries count on access to their doctors. Unless Congress acts by the end of the month, physicians and other clinicians who treat Medicare beneficiaries will face a nearly 30 percent cut in their Medicare reimbursement. We are concerned that if Congress allows the cuts to take place, beneficiaries' access to their physicians could be threatened.

It is unfair for beneficiaries and taxpayers to be penalized for the inability of Congress to reform the flawed payment system. Short term fixes have simply exacerbated the cumulative SGR problem and made premium increases related to updates even higher. The longer Congress delays fixing the SGR, the more expensive and harder it is to fix the problem.

It is important to keep in mind, however, that in addressing the SGR problem, AARP strongly urges Congress to reject any proposals that would impose arbitrary, harmful cuts to the Medicare program or shift additional costs onto Medicare beneficiaries. Such cost shifting undermines current and future beneficiaries' access to quality care, fails to rein in overall health care costs, and does not improve health care quality in the Medicare program.

Like many Americans, older Americans struggle with lost pensions and savings, lower home values, higher health care costs, and long periods of unemployment for those who need to continue working. The typical beneficiary today, living on an income of roughly \$20,000, already struggles to pay for their ever-rising health and prescription drug costs -- and nearly 20 percent of their income currently goes to health care costs. Each time Congress enacts an SGR fix, beneficiaries already pay 25 percent of the total cost.

AARP also urges the conferees to incorporate a “clean” continuation of extended unemployment insurance (“UI”) benefits for 2012. While the proposed cuts and conditions for eligibility in the House package would negatively affect all jobless workers, **they will especially hurt older jobseekers.**

Older workers experience much longer periods of unemployment than younger workers: in January, the average amount of time a worker age 55+ was unemployed was over 56 weeks – well over one year – compared to over 35 weeks for younger age groups. Many older workers have been unemployed for far longer. Cutting benefits by 5 months, to 59 weeks for everyone, would barely cover the average period of unemployment for an older worker. Requiring UI recipients to either have or be working on their high school diploma/GED in order to qualify for benefits would also fall hardest on older workers. Nearly half (47 percent) of UI recipients with less than a high school education or the equivalent are over age 45 and have already been in the workforce for decades. Finally, we are concerned about allowing states to use already-scarce UI funds for other non-UI purposes, or to impose burdensome or unsuitable conditions on eligibility.

We look forward to working with members of this Committee and all Members of Congress to ensure that the SGR cuts do not take effect and that Congress enacts as long a solution as possible to this perennial problem, and to maintain adequate UI benefits at this time of still-record-high long-term unemployment. If you have any questions, please feel free to contact me or have your staff contact Ariel González of our Government Affairs office at 202-434-3770 for Medicare related questions or Cristina Martin Firvida at 202-434-3760 for UI questions.

Sincerely,

A handwritten signature in cursive script that reads "Joyce A. Rogers". The signature is written in black ink and is positioned above the typed name and title.

Joyce A. Rogers  
Senior Vice President  
Government Affairs