



March 11, 2014

Dear Representative:

AARP is encouraged by the bipartisan agreement to fix Medicare's flawed physician payment formula and replace it with a system that rewards health care professionals for the quality and value of the services they provide. With the March 31 deadline looming, it is imperative that Congress acts soon to prevent the scheduled 24 percent cut to reimbursement rates.

We urge that any bill that permanently replaces the current physician payment system also permanently extend the Qualifying Individual (QI) low-income premiums subsidy program and ensure beneficiary access to needed therapies and services. Recognizing that reaching agreement on an inclusive and equitable bill may not happen by the present deadline, we urge you to pass a short-term fix as soon as possible to reassure America's 50 million Medicare beneficiaries. Constant threats of large physician reimbursement cuts cause beneficiaries to worry that their doctors and providers will no longer be able to see them.

As you know, the Congressional Budget Office (CBO) estimates the cost of the current SGR reform legislation (H.R. 4015/S. 2000) to be \$122 billion dollars over ten years, which does not include essential health care extenders such as the QI program. Savings through greater access to lower cost prescription drugs would allow you to avoid making harmful Medicare benefit cuts, as well as mitigate potential cuts to providers to finance the SGR fix. We urge you to give strong consideration to proposals to lower the cost of prescription drugs – proposals that could save as much as \$150 billion – without shifting costs onto beneficiaries. Other delivery system reforms, as well as use of overseas operations contingency funds, could help pay for the legislation. At the same time, AARP continues to oppose efforts to pay for this legislation by increasing beneficiaries' costs, reducing their benefits, or linking SGR reform with fundamental changes to the Affordable Care Act. We urge Congress to work together to address these important issues on behalf of seniors in Medicare.

Sincerely,

A handwritten signature in black ink that reads 'A. Barry Rand'. The signature is written in a cursive, flowing style.

A. Barry Rand  
Chief Executive Officer