



815 SIXTEENTH STREET, N.W.
WASHINGTON, D.C. 20006

RICHARD L. TRUMKA
PRESIDENT

ELIZABETH H. SHULER
SECRETARY-TREASURER

ARLENE HOLT BAKER
EXECUTIVE VICE-PRESIDENT

LEGISLATIVE ALERT!

(202) 637-5057

February 29, 2012

Dear Representative:

On behalf of the AFL-CIO, I am writing to urge you to oppose H.R. 452 when the Energy and Commerce Subcommittee on Health considers this legislation. The bill repeals the Independent Payment Advisory Board, which currently represents the most reasonable approach to achieving greater efficiency in Medicare without jeopardizing beneficiaries' access to high quality services.

As you are aware, the future solvency of the Medicare program is threatened by unmitigated cost growth across the health care system, a trend that affects Medicare and all health care payers. The Independent Payment Advisory Board (IPAB) will convene a body of 15 experts, including doctors and patient advocates, to issue binding proposals to Congress to improve the cost efficiency of Medicare. With this charge, and with its responsibility to recommend nonbinding delivery system improvements for the larger health system, IPAB plays a central role in work begun under the Affordable Care Act to improve the quality and efficiency of care.

Importantly, IPAB's binding proposals cannot ration care, increase premiums, impose greater cost-sharing, or restrict benefits. Rather, it must focus on reducing waste in the system and designing more accurate and quality-based payment approaches. Congress can preempt or override IPAB's proposals by making improvements in Medicare's efficiency that are modest in scope.

Over the past decade, a logjam of competing special interests has impeded the adoption of Medicare policies in the public interest. Unrealized opportunities include fixing the physician payment system, finding the proper role for specialty hospitals, requiring cost-conscious spending on pharmaceutical drugs, and aligning provider payments with quality care. Insulated from the influence of powerful interests and lobbying firms, IPAB will help policymakers make politically sensitive decisions to achieve improved cost efficiency while ensuring access and improving the quality of care.

There are few politically viable alternatives to IPAB's approach to controlling Medicare spending. A number of recent proposals would simply ratchet down what the government will spend on Medicare and shift the costs to beneficiaries. One prominent proposal would end Medicare as we know it by issuing limited vouchers to allow beneficiaries to buy as much coverage as they can afford, an approach the Congressional Budget Office (CBO) estimated would more than double beneficiaries' cost of coverage. Other proposals would shift costs to beneficiaries by increasing premiums or co-payments or by raising the age of Medicare eligibility. It is also likely that more promising approaches will remain stalled.

We urge you to vote against H.R. 452 and preserve the Independent Payment Advisory Board. Compared to recent harmful alternatives for limiting Medicare spending – which have focused on increasing costs for Medicare beneficiaries – the IPAB approach stands out as a reasonable and balanced way to improve Medicare’s fiscal outlook.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. Samuel', written in a cursive style.

William Samuel, Director
GOVERNMENT AFFAIRS DEPARTMENT