

LCAO Again Expresses Strong Opposition to Spending Caps in Medicare

November 10, 2003

Dear Senator/Representative:

In light of recent reports of amendments to H.R.1 and S. 1, which would impose expenditures caps on Medicare in the near future, we the undersigned members of the Leadership Conference of Aging Organizations (LCAO) wish to repeat our strong opposition to budget caps that will destroy the very entitlement nature of Medicare and/or require periodic Congressional votes to continue funding of the prescription drug and Part B programs.

Although no provision in either the House or Senate passed bills would set budget targets or require Congressional consideration of such budget goals, the Conference is reportedly considering the addition of some new provisions in this area.

It is a long-standing principle of the LCAO that Medicare reform must assure Medicare payments will keep pace with the growth in benefit costs without using artificial budget inflators or caps on spending.

Medicare has brought peace of mind and security to tens of millions of Americans over the past 38 years. Requiring Congressional action if and when Medicare spending exceeds an estimated target would bring fear and uncertainty to millions of Americans at a time in their lives when they need security--not anxiety.

Congress does not have a good track record in predicting spending and setting targets. For example, the physician payment system has been plagued with errors. The Medicare+Choice payment adjustments in 1997 locked in huge multi-billion dollar errors. An unforeseen outbreak, such as SARS, in the future would obviously make any spending estimates irrelevant. Although spending estimates are not scientific, Congressional ability to act in a timely manner is even less scientific. For example, just in the past month, several states thought they had to notify thousands of QI-1 beneficiaries that the program would terminate at the end of September. This caused great disruption; the program was eventually extended on the very last evening of September. Through no fault of any individual member, the legislative process is often a 'perils of Pauline' experience.

Please do not add this uncertainty to what has been one of the most successful and popular programs in America.

Sincerely,

*AFL-CIO
AFSCME Retiree Program
Alliance for Retired Americans
Alzheimer's Association
American Association for International Aging
American Association of Homes and Services for the Aging
American Federation of Teachers Program on Retirement and Retirees
American Foundation for the Blind
American Public Health Association
American Society on Aging*

*Association for Gerontology and Human Development
in Historically Black Colleges and Universities
Association of Jewish Aging Services of North America
B'nai B'rith International Center
Catholic Health Association
Eldercare America
FamiliesUSA
Gray Panthers
International Union, UAW
Military Officers Association of America
National Academy of Elder Law Attorneys
National Association for Hispanic Elderly
National Association of Professional Geriatric Care Managers
National Association of Retired and Senior Volunteer Program Directors
National Association of Retired Federal Employees
National Association of Senior Companion Project Directors
National Association of State Long-Term Care Ombudsman Programs
National Caucus and Center on Black Aged
National Committee to Preserve Social Security and Medicare
National Council on the Aging
National Senior Citizens Law Center
OWL, the voice of midlife and older women
United Jewish Communities*