

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

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LEGISLATIVE ALERT!

(202) 637-5090

March 4, 2003

The Honorable Charles Rangel
The Honorable John Dingell
United States House of Representatives
Washington, D.C. 20515

Dear Representatives Rangel and Dingell:

On behalf of the 13 million members of the AFL-CIO, I am writing to offer my strong support for legislation you are introducing today to provide a meaningful drug benefit to Medicare beneficiaries. Seniors urgently need a prescription drug benefit that provides comprehensive coverage without gimmicks or gaps. Your proposal guarantees affordable coverage to all Medicare beneficiaries, without having to give up the doctor they choose.

The \$25 monthly premium, coverage for 80 percent of the cost of prescription drugs and low deductible and out-of-pocket limit put prescription drugs well within the reach of seniors who too often have to make difficult choices between their health care and other basic needs. And providing this benefit within Medicare – and not through private insurers – means seniors can count on the coverage being there at costs determined by Medicare, not the drug companies and HMOs.

In addition, your proposal would not put at risk those retirees who currently have some prescription drug coverage through an employer. Retiree health care is the primary source of prescription drug coverage for seniors. Your proposal rightly recognizes that important contribution and provides relief for employers that choose to continue retiree drug coverage.

The bill you are introducing today is a welcome and significant departure from the Republican leadership's bill that passed the House last year. That legislation would have offered only unreliable, unaffordable and unworkable coverage through private plans, with an enormous gap in coverage that would require beneficiaries to pay the full cost of their drugs while still paying premiums. And the only relief for employers would have been if they drop the coverage they now offer, leaving 12 million seniors worse off than they are now.

We strongly oppose the many reported efforts to hold a drug benefit hostage to so-called reforms that are designed to privatize a program that seniors have trusted for more than 35 years. Your legislation would guarantee the one reform most urgently needed for Medicare and which seniors have been promised for many years.

Sincerely,

William Samuel, Director

DEPARTMENT OF LEGISLATION