



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

JOHN J. SWEENEY
PRESIDENT

RICHARD L. TRUMKA
SECRETARY-TREASURER

LINDA CHAVEZ-THOMPSON
EXECUTIVE VICE-PRESIDENT

LEGISLATIVE ALERT!

(202) 637-5090

June 13, 2002

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

Dear Representatives Dingell and Rangel:

On behalf of the 13 million members of the AFL-CIO, I am writing to commend you for your efforts to provide much-needed relief to Medicare beneficiaries. Your proposal to create a voluntary drug benefit within the Medicare program represents an encouraging and solid step toward enacting the one reform most urgently needed for Medicare.

Seniors need a real benefit that provides comprehensive, continuous and certain coverage. Your proposal provides that benefit, giving seniors coverage without gimmicks or gaps. A Medicare drug benefit must also be affordable for beneficiaries living on fixed incomes. 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 the Medicare program – and not through private HMOs – means seniors can count on the coverage being there.

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, and your proposal rightly provides some relief for employers that choose to continue that coverage.

A proposal widely reported under consideration by House Republican leaders offers only unreliable, expensive and unworkable coverage through private plans, with an enormous gap in coverage that leaves seniors without any coverage at all for drug costs between \$2000 and \$4500. And the only relief for employers is if they drop the coverage they now offer. Such a proposal will not move us any closer to a real benefit.

As this debate moves forward, we want to work with you to enact the best possible Medicare drug benefit. We appreciate your role in advancing that process.

Sincerely,

William Samuel, Director
DEPARTMENT OF LEGISLATION