October 12, 2017

The Honorable Greg Walden
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC  20515

The Honorable Frank Pallone
Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC  20515

Dear Chairman Walden and Ranking Member Pallone:

On behalf of the Medicare Rights Center (Medicare Rights), I am writing to express our strong disappointment with Medicare offsets advanced by the U.S. House Committee on Energy and Commerce to fund an extension of the Children’s Health Insurance Program (CHIP). Medicare Rights is a national, nonprofit organization that works to ensure access to affordable health care for older adults and people with disabilities through counseling and advocacy, educational programs, and public policy initiatives.

Medicare Rights strongly supports the Children’s Health Insurance Program. CHIP is essential because it provides affordable health coverage to working families for over eight million children. With strong bipartisan support over the years, CHIP has substantially improved access to children’s health coverage—providing dependable, high-quality health care to our nation’s low-income children—and has given their families, who include people with Medicare, a needed sense of security.

However, we strongly oppose Section 203 of the Helping Ensure Access for Little Ones, Toddlers, and Hopeful Youth by Keeping Insurance Delivery Stable Act of 2017 (HEALTHY KIDS Act) which unfairly and inappropriately shifts costs to people with Medicare. Section 203 of the HEALTHY KIDS Act requires some higher-income Medicare beneficiaries to pay 100% of the Medicare Part B premium as well as an increased surcharge for Medicare Part D.

Increasing income-related Medicare Part B and Part D premiums to help offset the CHIP reauthorization bill is disappointing for several reasons. First and foremost, higher-income people with Medicare already pay more in monthly premiums. Currently, about 5% of people with Medicare pay extra Part B premium amounts of up to
$3,535 a year. By further increasing premiums, we risk driving some individuals out of the Medicare program, ultimately undermining the promise and universality of Medicare. If these higher-income individuals choose to forgo Medicare in favor of self-insuring for health care, the Medicare program would lose their premium dollars altogether.

Moreover, the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) is set to increase the number of people who pay higher income-related premiums beginning in 2018. The HEALTHY KIDS Act shifts even higher costs to people with Medicare before those MACRA changes have taken effect.

Finally, this cost shift on to seniors and people with disabilities will only fund the CHIP extension for a limited time. We are concerned by the precedent that would be set by forcing Medicare beneficiaries to shoulder the cost of short-term, non-Medicare expenditures. Advancing such policies will make it more difficult to finance actual improvements and address long-term challenges in the Medicare program.

We urge you to work in a bipartisan manner to identify alternative offsets that lower costs and improve the delivery of health care to finance the CHIP extension. If you have any questions, please contact Casey Schwarz, Senior Counsel for Education & Federal Policy, at cschwarz@medicarerights.org or 212-204-6271.

Sincerely,

Joe Baker
President
Medicare Rights Center

CC: The Honorable Paul Ryan, Speaker, U.S. House of Representatives
    The Honorable Nancy Pelosi, Minority Leader, U.S. House of Representatives
    The Honorable Kevin Brady, Chairman, U.S. House Committee on Ways and Means
    The Honorable Richard Neal, Ranking Member, U.S. House Committee on Ways and Means
    The Honorable Mitch McConnell, Leader, U.S. Senate
    The Honorable Chuck Schumer, Minority Leader, U.S. Senate
    The Honorable Orrin Hatch, Chairman, U.S. Senate Committee on Finance
    The Honorable Ron Wyden, Ranking Member, U.S. Senate Committee on Finance
    The Honorable Susan Collins, Chairman, U.S. Senate Special Committee on Aging
    The Honorable Bob Casey, Ranking Member, U.S. Senate Special Committee on Aging