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The NRLN advocates the rights of more than 2 million American retirees from...

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October 20, 2020

The Honorable Alex Azar, Secretary U.S. Department of Health and Human Services Hubert H. Humphrey Building 200 Independence Avenue, S.W. Washington, D.C. 20201

Dear Secretary Azar:

The National Retiree Legislative Network (NRLN) that represents the interest of more than 2 million retirees and future retirees believes that President Trump, the Department Health and Human Services and the Centers for Medicare and Medicaid have taken a number of actions in 2020 very beneficial to seniors. To cite a few examples:

- Medicare beneficiaries with diabetes who use insulin can choose a prescription drug plan during the present enrollment period that offers a broad set of insulins at a maximum \$35 copay for a month's supply starting January 1, 2021.
- Reducing the price of prescription drugs by allowing the importation of safe and less expensive drugs from Canada and other countries that meet FDA standards; ensuring that Medicare and seniors pay no more for the most-costly Medicare Part B drugs than any economically comparable country, and ending a system of kickbacks by Price Benefit Managers (PBMs) and allowing seniors to directly receive these kickbacks as discounts in Medicare Part D.
- Original Medicare Fee-For-Service paying for 144 telehealth services during the COVID-19 pandemic.
- Commitment to make sure that a COVID-19 vaccine will be made available to seniors at no cost once a vaccine is approved.

There are two issues that concern the NRLN:

1. The NRLN believes it is a terrible idea to use nearly \$8 billion from the Medicare Trust Fund to provide seniors with \$200 prescription drug cash cards. According to an October 16th Politico article, Robert Charrow, HHS general counsel, warned in the memo that giving seniors a \$200 discount cards to buy prescription drugs could violate election law and advised seeking guidance from the Department of Justice's public integrity section which deals with election law issues.

Medicare's Hospital Insurance (HI) Trust Fund, which had \$195 billion in assets at the beginning of the year, will only be able to pay full benefits until 2026, according to the Medicare Trustees' report in April 2020. Paying nearly \$8 billion for the prescription drug cards will harm Medicare's ability to make future payments for seniors' healthcare needs.

2. CMS is spending \$38 billion this year in a Congress-authorized general fund giveaway to healthcare insurance companies to subsidize corporate overhead and profits for no gain in the health of America's seniors. Insurers have received \$400 billion in so-called rebates since 1997 and Congress authorized more despite insurers having never reduced healthcare costs. Last year insurers were paid 4 percent more per enrollee in Medicare Advantage than CMS spent per enrollee in Original Medicare Fee-for-Service.

Provided President Trump is reelected to the White House, HHS and CMS should work against subsidies and legislated restrictions placed on original Medicare Fee-for-Service (FFS) just to preserve the unfounded notion that private insurance plans are inherently more effective.

Sincerely,

Bill Kadereit, President,

National Retiree Legislative Network

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Copy to: Seema Verma, CMS Administrator