

A Bipartisan Plan to Save Medicare & Reduce Debt

September 5, 2013

Dave Camp
Chairman, Ways and Means Committee
U.S. House of Representatives
1102 Longworth House Office Building
Washington D.C. 20515

Dear Chairman Camp,

We appreciate your work this year to examine bipartisan proposals to reform Medicare. As you have well noted, “without action to address the fiscal and structural challenges facing our nation’s entitlement programs, Medicare will be bankrupt by 2026.”

We share your concern for the financial solvency and long-term sustainability of the Medicare program. Like you, we believe urgent action is needed to save Medicare and protect the millions of individuals who depend on the program.

As you know, in June 2011, we outlined a bipartisan legislative proposal to help save Medicare.¹ Today we reiterate what we said at the time: we cannot save Medicare as we know it, we can only save Medicare if we change it.² Therefore, our plan contained some strong medicine, but we believe our proposal would administer that medicine in a fair way, in that it asks everyone to do their part to help preserve Medicare.

We believe doing nothing to save Medicare and protect seniors would be the least compassionate and least responsible option. That’s why our proposal would preserve Medicare for current and future enrollees by taking important steps to realign the program with its original intent.

Our proposal built on previous bipartisan solutions by modernizing the Medicare benefit. Under our proposal, seniors would have a new annual out-of-pocket limit within the program so they would be protected from bankruptcy in the event of a major illness or long term health condition. Our proposal also envisioned asking wealthier seniors to pay their fair share of premiums—an approach we note continues to enjoy strong bipartisan support. We also used some of the savings from our proposal to provide a down payment toward broader payment reforms, so seniors could continue to see their health care providers.

One element of our bipartisan proposal that had not been envisioned in other plans was the adoption of the policy to gradually increase the age of eligibility for Medicare. While we understand the concerns some have with this approach, we believe this is a necessary step. We

¹ <http://goo.gl/WUJa5>

² <http://goo.gl/EQHNN>

outlined key reasons for adopting this policy in a report we issued in April of this year.³ Moreover, we believe that a careful reading of our policy shows it can be adopted in a manner that achieves savings while protecting the most vulnerable individuals who depend on Medicare.

As you consider policy solutions to save Medicare, we applaud the Committee's use of a transparent process of hearings on entitlement reform as a means to evaluate a variety of proposals to protect and preserve the program. We particularly appreciate the Committee's effort to make draft legislative text on bipartisan plans publicly-available and to invite comments from all interested parties.

As authors of a ground-breaking bipartisan proposal to save Medicare, we want to further the Committee's work by providing you with the following materials enclosed with this letter:

- Our original "Bipartisan Proposal to Save Medicare & Reduce Debt"
- Draft legislative text of our proposal
- Analysis and evaluation of the effects of our proposal by the Office of the Actuary at the Centers for Medicare and Medicaid Services.

As you will note from the Medicare Actuary's analysis, our bipartisan proposal holds the potential to reduce Medicare outlays by more than \$535 billion over a decade, while extending the program's solvency for decades. We invite you and your colleagues on the Committee to carefully review our proposal and seriously consider adopting its measures.

Thank you for your continued efforts to examine bipartisan entitlement reforms. We stand ready to assist you and your Committee in the grand task of advancing responsible and fair policies which will save and strengthen Medicare for generations to come.

Sincerely,



Tom Coburn, M.D.
U.S. Senator



Joe Lieberman
Former U.S. Senator

³ <http://goo.gl/0708m>