July 20, 2021

The Honorable Joseph R. Biden, Jr.
President of the United States
The White House
1600 Pennsylvania Ave
Washington, DC 20500

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Room H-305, The Capitol
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Room H-204, The Capitol
Washington, DC 20515

The Honorable Chuck Schumer
Majority Leader
U.S. Senate
Room S-221, The Capitol
Washington, DC 20515

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Room S-230, The Capitol
Washington, DC 20515

President Biden, Speaker Pelosi, Minority Leader McConnell, Leader Schumer and Minority Leader McCarthy:

The undersigned organizations, which advocate on behalf of and serve Medicare beneficiaries, urge the Administration and Congress to keep improvements to the Medicare program central in your discussions surrounding recovery from the pandemic and creating a more equitable and affordable health care and prescription drug system.

Medicare is a critical lifeline for 62 million older adults and individuals with disabilities, but many beneficiaries struggle to afford the care and medications they need. Half of all Medicare beneficiaries live on annual incomes of $29,650 or less. We must seize the opportunity to modernize the program, deliver on the promises to improve coverage and reduce prescription drug prices and out-of-pocket costs so that beneficiaries can afford what their doctors prescribe. The significant gaps in coverage must be addressed, specifically regarding oral health, hearing and vision services. And barriers to low-income assistance--which is particularly important to older adults of color--must be eliminated.

In general, we support many of the provisions of H.R. 3 to achieve these goals, particularly the improvements included in Titles V and VI. While we assert that Medicare coverage expansions should not be limited by having to find Medicare offsets, we urge you to spend the savings realized from reforming Medicare drug pricing and other potential cost savings proposals on beneficiary coverage improvements. We offer our priorities below for modernizing and strengthening the Medicare program.

Add a Comprehensive Oral Health Benefit

We urge Congress to strengthen Medicare by adding comprehensive oral health coverage under Part B. Good oral health is critical to overall health. Yet, the Medicare statute currently excludes coverage of routine preventive and restorative oral health care except in limited circumstances during hospitalization. As a result, 65% of Medicare enrollees--nearly 40 million older adults and people with disabilities--have no oral health coverage, and only half of all Medicare enrollees saw a dental provider in the last year. People of color are disproportionately harmed by Medicare's exclusion of oral health coverage, both because of greater need for dental services and being less likely to be able to afford to see a dentist. In addition, research shows that people with COVID-19 who have poor oral health tend to get sicker and are more likely to die, highlighting the dangers of this lack of coverage for the Medicare population.

It is critical to add oral health coverage under Part B to ensure it is integrated with the delivery of other health benefits, including preventive services. Adding oral health to Part B would also ensure that all Medicare beneficiaries have access to the same oral health benefit and minimize administrative complexity by using Part B's existing coverage criteria, payment structure, rate setting, appeals, and low-income beneficiary protections. There is growing support for this approach both among the public and Congress.

Add Hearing Coverage

We urge Congress to add Part B coverage for hearing aids, related exams, and fittings for all levels of hearing loss. Even though nearly one-quarter of seniors between ages 65 and 74 and half of those 75 and older have disabling hearing loss, Medicare does not cover testing or hearing aids for routine hearing loss. An average out-of-pocket cost of $2500 for a single hearing aid and associated exam and fitting costs creates a significant barrier for seniors to access audiology services and treatment. Only 30% of adults over the age of 70 who could benefit from hearing aids use them. Untreated hearing loss exacts a heavy toll on seniors and on the Medicare program; research links mild hearing loss to doubling the risk of dementia and severe hearing loss with a five-fold increase in the incidence of dementia—one of the most personally and financially devastating conditions. Hearing loss is also associated with increased risk of falls and depression.

Expand Vision Coverage

We urge Congress to add coverage for routine eye exams, glasses, and contacts to Part B. Currently, Part B covers cataract surgery and vision correction related to cataract treatment; annual glaucoma screenings for high-risk individuals; exams for diabetics; and some tests and treatment for macular degeneration. But routine eye exams and corrective lenses are not covered despite the association of poor vision with an increased risk of falls, depression, cognitive impairment, hospitalization, and limited mobility. According to one study, 39% of Medicare beneficiaries in 2016 reported having trouble seeing even with their

glasses, and only 58% reported having had an eye exam in the past year. Beneficiaries in the lowest income group were more likely to have difficulty seeing even with glasses (48%) compared to those in the highest income group (32%). Low-income beneficiaries with vision trouble were less likely to have had an eye exam in the past year (47%) than high-income beneficiaries (67%).

Reduce Prescription Drug Prices and Out-of-Pocket Costs

Many people with Medicare have fixed or limited incomes and cannot afford high and rising prescription drug costs. Yet, yearly price hikes on brand name drugs continue to routinely exceed the rate of inflation, and new drugs are launching at ever-higher price points, further eroding beneficiary access. We support action to meaningfully reduce drug prices and lower costs for people with Medicare and the program. Specific strategies include allowing Medicare to negotiate drug prices; capping and smoothing beneficiary out-of-pocket costs; and restructuring the Part D benefit to reduce the federal government's liability and better align pricing incentives. We also urge Congress to repeal safe harbors for pharmaceutical rebates and that the savings be used primarily for beneficiary improvements.

In addition, the Medicare Part D appeals process is overly onerous and deeply flawed, leading to access delays, reduced adherence, worse health outcomes, and higher costs. We urge Congress to modernize the appeal process in ways that will empower beneficiaries and properly incentivize plans, including strengthening data collection, transparency, and oversight; requiring independent redeterminations; allowing tiering exceptions and raising the specialty tier threshold; and improving plan communications with enrollees. Congress should also address current significant barriers to the Part D Low-Income Subsidy (LIS) program, including the unduly restrictive asset eligibility test that penalizes low-income beneficiaries who set aside a modest nest egg of savings during their working years. We also support the Title V LIS provisions of H.R. 3, which will help lower income Medicare beneficiaries – many of whom are older adults of color – to afford the medications they need.

Improve Medicare Savings Program (MSP) Low-Income Protections

If we are serious about reducing health disparities and promoting equity, Congress must act this year to help older adults afford the care they need by improving access to Medicare low-income assistance. In addition to concerns with the counterproductive asset eligibility tests for both LIS and MSPs, another serious problem is that assistance with rising Medicare Parts A and B cost sharing (deductibles and copayments) under the Qualified Medicare Beneficiary (QMB) program is only available for those with incomes below 100% of the Federal Poverty Line. This is significantly less generous than assistance for people under age 65 who live in Medicaid expansion states where Medicaid coverage with no or nominal cost-sharing is available for those with incomes below 138% of poverty with no asset test. We urge Congress to raise the income eligibility limit for the QMB program and also simplify and align the various, confusing Medicare low-income protection programs to promote participation and efficiency and reduce administrative costs.

Add an Out-of-Pocket Cap

We urge Congress to establish a limit on the out-of-pocket costs that beneficiaries are required to pay for services covered under traditional Medicare (as well as Part D prescription drug expenses discussed above). As noted by the Kaiser Family Foundation, "[t]his gap in Medicare's financial protection is a relic from an earlier era, and makes coverage under traditional Medicare unlike Medicare Advantage plans and private coverage offered by employers or in the ACA marketplace, where annual out-of-pocket limits are generally required by law." Adding a cap will particularly help individuals who have high-cost health needs who cannot afford supplemental coverage.

Strengthen the Home Health Benefit

The Medicare home health benefit has no duration limitation on services, and can cover home health aide services if intermittent skilled services are also needed. Yet there is a growing disconnect between what is coverable under the law and what is covered in practice. Enforcing existing law would help many people stay in their homes with minimal interventions. Further, Congress can expand access to the home health benefit by, among other things, relaxing or eliminating the homebound and/or skilled care eligibility triggers and removing the "at home" restriction for durable medical equipment.

Improve Chronic Care

Medicare benefits should also be strengthened to better meet the needs of chronically ill beneficiaries. It is important to note that Black and Hispanic adults have higher rates of diabetes, cancer, and heart disease than their white counterparts. For example, the risk of being diagnosed with diabetes is 77% higher among Blacks and 66% higher among Hispanics, than for whites. Opportunities to improve chronic care include strengthening the Medicare Annual Wellness Visit (AWV), which has failed to meet its potential; improving access to supplemental benefits for chronically ill beneficiaries in the traditional Medicare program; improving access to Medicare behavioral health services; and improving access to the underutilized Medicare Diabetes Self-Management Training (DSMT) program.

Modernize Medigap Enrollment

Medigap, or Medicare Supplement, plans offer essential protection from out-of-pocket costs for beneficiaries who prefer traditional Medicare. These popular insurance products allow beneficiaries to insure against the currently unlimited cost sharing in Medicare Part A and Part B. These plans are, unfortunately, stuck in the past, among the only health insurance products sold that retain medical underwriting outside the guaranteed issue periods. These policies are unavailable to beneficiaries under age 65 in many states. Even for those eligible for Medicare due to age, narrow enrollment windows and draconian rules unduly restrict beneficiaries' choice by denying enrollment if they wish to protect themselves against unlimited out-of-pocket costs. In addition to implementing a traditional Medicare and Part D out-of-pocket cap, Medigap

enrollment and underwriting rules should be updated to reflect the rest of the health insurance marketplace.

As the nation faces a historic opportunity to shore up our infrastructure and care economy–including our patchwork health coverage system–we urge policymakers to make strengthening the Medicare program to better serve its enrollees a priority.

Alliance for Retired Americans
Center for Medicare Advocacy
Families USA
Justice in Aging
Medicare Rights Center
National Academy of Elder Law Attorneys
National Association of Social Workers (NASW)
National Committee to Preserve Social Security & Medicare
National Council on Aging
Social Security Works

cc: The Honorable Ron Wyden, Chairman, Senate Finance Committee
The Honorable Mike Crapo, Ranking Member, Senate Finance Committee
The Honorable Richard Neal, Chairman, House Ways & Means Committee
The Honorable Kevin Brady, Ranking Member, House Ways & Means Committee
The Honorable Frank Pallone, Chairman, House Committee on Energy & Commerce
The Honorable Cathy McMorris Rodgers, Ranking Member, House Committee on Energy & Commerce