Congress of the United States
House of Representatives
Washington, DC 20515

April 26, 2005

The Honorable Mark B. McClellan, M.D., PhD.
Administrator
Centers for Medicare and Medicaid Services
200 Independence Avenue, S.W., #314-G
Washington, D.C. 20201

Dear Administrator McClellan:

As the Ranking Members on the Committees and Subcommittees with jurisdiction over Medicare, we are writing to ask you to stop production on the proposed 2006 "Medicare & You" handbook. Because the handbook is mailed annually to every beneficiary, it presents an important opportunity to educate beneficiaries about program changes. The draft handbook obtained by our staff raises serious concerns both about the effectiveness of the 2006 handbook in describing those changes and the subsequent effect it will have on beneficiaries.

As currently written, it is rife with omissions and inaccuracies and could exacerbate, not mitigate beneficiary confusion later this year. We urge you not to finalize the text of the handbook until proper consultation has occurred and the serious problems identified in the draft have been fixed.

For example, the start of private drug coverage through Medicare Part D next year will force millions of beneficiaries, particularly those in Medicaid and retirees who will lose their coverage, out of their current plans and into Part D. Given that beneficiaries will be locked into a private drug plan for a year and will in many cases be penalized if they do not enroll immediately in Part D, having accurate and balanced information is essential to ensure an informed decision. Yet some examples given in the handbook are actually inaccurate, while others leave out critical information.

Moreover, most notably, the benefit itself is not even described. On page 29, the text says that the plan pays part of drug costs once the deductible is met. This is wrong. As you know, under the standard benefit, the coverage gap ("donut hole") for prescription drugs means that many beneficiaries will be subject to a period without coverage after the deductible is met, despite paying monthly premiums. But the handbook does not even mention this likelihood. As Members of Congress who will undoubtedly hear from angry

beneficiaries whose spending falls into the gap, we urge you to be clear about this possibility.

In addition to problems with the sections relating to Part D, we are also seriously concerned about the way in which the handbook prioritizes HMOs and other private Medicare Advantage (MA) plans, relative to traditional Medicare. As you know, most beneficiaries are in fee-for-service Medicare and most will remain there, even under the Administration's optimistic assumptions about enrollment in private plans. We also object to this year's decision to combine the sections on private fee-for-service MA plans with traditional Medicare. Doing so is misleading at best, and potentially very confusing. Whether asserting without caveat that better benefits are available in MA plans or not mentioning the trade-offs with respect to limited provider choice and consumer protections, language to describe private plans throughout the document tends to lean in favor of the HMOs while omitting or downplaying important information.

Please send to us the most recent draft as soon as possible and let us know the schedule for editing and publication. If you have any questions, please contact Cybele Bjorklund with the Committee on Ways and Means Democratic staff at (202)-225-4021 or Bridgett Taylor with the Committee on Energy and Commerce Democratic staff at (202) 226-3400. Thank you for your consideration.

Sincerely,

Charles B. Rangel
Ranking Member
Committee on Ways and Means

John Dingell
Ranking Member
Committee on Energy and Commerce

Henry A. Waxman
Ranking Member
Committee on Government Reform

Fortney Pete Stark
Ranking Member
Committee on Ways and Means
Subcommittee on Health

Sherrod Brown
Ranking Member
Committee on Energy and Commerce
Subcommittee on Health