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Dear Representative:

On behalf of the 1.4 million members of the American Federation of State, County and Municipal Employees (AFSCME), I am writing in opposition to the prescription drug bill that you are considering today. This measure does not make prescription drugs affordable, does not offer a meaningful plan with guaranteed costs and benefits and does not give the seniors the option of obtaining their prescription drug coverage through traditional Medicare.

Under this bill, seniors will not have the option of selecting a prescription drug benefit under the traditional Medicare program. Instead, seniors will be forced to use private insurance companies for drug coverage. Private insurance companies and managed care plans would design the new drug plans, decide what to charge and even decide which drugs seniors would get.

This proposal is specifically designed to privatize the entire Medicare program by 2010. Under the bill's competitive bidding provisions, millions of seniors who want to stay in traditional Medicare would be required to pay much more than they do now. With managed care companies competing to entice health seniors to enroll, traditional Medicare would be forced to raise out-of-pocket costs automatically for the sickest Medicare beneficiaries. Medicare would essentially be converted into a voucher system.

Under this bill, many seniors would be required to pay high premiums even when they don't receive benefits. Nearly half of the Medicare beneficiaries would fall into the huge coverage gap every year - seniors would receive no payment for drug costs between the amounts of \$2,000 and \$5,100.

Also, the plan discriminates against retirees with employer-provided drug coverage because the portions of their drug costs paid for by their employer would not count toward meeting the various spending levels in the bill. Many seniors who now have employer-provided drug coverage would never reach \$5,100. That would leave their former employers - public and private alike - on the hook prompting many of them to drop coverage for as many as four million retirees, according to the Congressional Budget Office.

For all these reasons, I strongly urge you to oppose the prescription drug proposal that you are considering this week. Seniors need and deserve a real, meaningful Medicare prescription drug benefit.

Sincerely,

Charles M. Loveless  
Director of Legislation

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