

Sent by Facsimile

May 13, 2008

Dear Member of Congress:

We, the undersigned organizations, are concerned that Congress might reduce the funding for Medicare Advantage plans, including those offered to retirees.

Medicare Advantage is one option for protecting employer-sponsored retiree benefits for seniors. Medicare Advantage allows employers to offer health benefits to their retirees that provide integrated medical and prescription drug coverage, care coordination and chronic care initiatives.

All of the Medicare Advantage options should be preserved -- the coordinated care and private-fee-for-service options. While employers are involved in all these types of plan offerings, it is important to have flexibility to offer the plan that meets the retiree's needs.

Some in Congress are considering reducing the payments for the PFFS option. Singling out this option for massive reductions would disproportionately hurt beneficiaries who are in areas where there are no other Medicare Advantage options that are available.

According to a recent survey by the Employee Benefit Research Institute, retirees are very satisfied with their current health plan and they value the role employers play in sponsoring coverage. This same survey found that more than half of those with employer or union coverage are not confident that they could afford to purchase coverage on their own if their employer or union stopped offering coverage.

During creation of the Medicare Part D drug benefit, Congress worked to ensure that employers continued retiree drug coverage by offering employers options - either elect the subsidy, offer or provide group enrollment in a PDP plan. It is our hope that Congress will preserve options for retirees under the Medicare Advantage program.

We urge you to maintain adequate funding for Medicare Advantage plans, including private-fee-for-service plans, offered by employers, unions or trusts as a viable option -- it is, quite simply, a critical coverage option for employers and unions to continue to meet the needs of retirees. Congress should work to help employers maintain their retiree benefits and not take steps to erode coverage options for retirees.

Thank you.

Employers Coalition on Medicare (ECOM)
American Benefits Council
Business Roundtable
The ERISA Industry Committee
National Association of Manufacturers
National Business Group on Health
National Retail Federation
U.S. Chamber of Commerce