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September 24, 2009

The Honorable Charles B. Rangel
Chairman Ways and Means
2354 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Rangel:

On behalf of our 40 million AARP members, we write in support of H.R. 3631, the Medicare Premium Fairness Act. Medical costs continue to outpace inflation, and while some retirees are held "harmless" from Medicare premium increases next year, for some retirees, Medicare premiums are scheduled to rise dramatically in 2010. The Medicare Premium Fairness Act will allow Medicare premiums to remain steady for all beneficiaries in 2010, making health care more affordable next year for many older Americans.

Medical costs have continued to rise in 2009, and Medicare premiums have doubled since 2000. People in Medicare today spend nearly a third of their income on health care, including premiums and out-of-pocket expenses. Moreover, while health care costs continue to rise, most retirees will not be able to count on a Social Security cost of living increase (COLA) to help meet those rising costs next year. This will be the first time there will be no cost of living increase since the automatic COLA was established in 1975, and it comes at a time when most older Americans are still suffering from reduced retirement savings, lower home equity and a poor employment market, especially for older workers.

H.R. 3631 will prevent millions of Medicare beneficiaries from having to face a significant increase in Medicare premiums during this unprecedented period in which seniors face rising health care costs, but have fewer resources to meet those expenses. In addition, because this bill is fully paid for, it prevents unintentionally large premium increases for some older Americans without burdening taxpayers or future generations.

We look forward to working with you and your colleagues on both sides of the aisle to ensure this important legislation is enacted quickly, and to make health care more affordable for all Medicare beneficiaries. If you have any further

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questions, feel free to call me, or please have your staff contact Nora Super of our Government Relations staff at 202-434-3776.

Sincerely,

A handwritten signature in dark ink, reading "David P. Sloane". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

David P. Sloane
Senior Vice President
Government Relations and Advocacy

cc: The Honorable Pete Stark, Subcommittee Chairman Health
The Honorable Dina Titus, Education and Labor