



July 23, 2009

The Honorable Henry Waxman
Chairman
United States House of Representatives
2204 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Joe Barton
Ranking Member
Committee on Energy and Commerce
2109 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Waxman and Ranking Member Barton:

AARP strongly supports the provisions in America's Affordable Health Choices Act of 2009 (H.R. 3200, Subtitle E, Section 1181) that would close the Medicare Part D coverage gap, or "doughnut hole," over time, and we oppose any efforts to scale back this improvement. Closure of the doughnut hole is not only good health policy, but it is one of the most significant concerns of our nearly twenty-two million members who are Medicare beneficiaries, and is key to their support for health care reform.

Last month, AARP announced its support of an agreement by the pharmaceutical drug industry and the Senate Finance Committee to cut brand name drug prices in half for people who fall into the doughnut hole -- but this endorsement should not be read to mean that AARP considers that agreement sufficient to resolve our members' concerns. Rather, it is one step towards closure of the doughnut hole, and one measure of several that AARP has endorsed to address the affordability of prescription drugs for Medicare beneficiaries. We have endorsed and continue to seek legislation to permit secretarial negotiation of drug prices for Medicare, safe re-importation of drugs, a shorter pathway for generic biologics, and an expansion of low-income subsidies for Medicare beneficiaries. We believe that these measures would expand access to affordable drugs and provide better health outcomes for our members.

Use of prescription drugs is an essential aspect of care, especially for a number of chronic conditions, and good health and fiscal outcomes are tied to ensuring adequate access to needed medications. Unfortunately, beneficiaries with chronic conditions are among those most likely to fall into the coverage gap and to be unable to afford their medications. For the millions of Americans affected by the Medicare doughnut hole, the above solutions are not mutually exclusive, and AARP will continue to fight for the implementation of these solutions to ensure that our members are able to access the prescription drugs they need.

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The Senate Finance Committee agreement alone is not enough. Each year, the doughnut hole grows, doubling from an initial cost of \$2,850 in 2006 to a projected cost of about \$6,000 in 2016. Cutting brand name drug costs in half will provide badly needed and immediate relief to our members, but the House bill will close the doughnut hole that remains an overwhelming financial barrier to many Medicare beneficiaries. We therefore ask you explicitly to maintain Subtitle E Section 1181 of H.R. 3200, which will give our members the long-term relief they need through closure of the doughnut hole. We know our members, and your constituents, care deeply about this issue.

If you have any further questions, please feel free to contact me or have your staff contact Ahaviah Glaser of our Government Relations staff at 202-434-3770.

Sincerely,

A handwritten signature in cursive script that reads "David P. Sloane".

David P. Sloane
Senior Vice President
Government Relations and Advocacy