

Congress of the United States

Washington, DC 20515

September 17, 2003

The Honorable Dennis Hastert
Speaker of the House of Representatives
H232 Capitol Building
Washington, D.C. 20515

Dear Speaker Hastert:

As you know, we voted reluctantly for the House-passed Medicare prescription drug bill in July. We supported the legislation passed by the House of Representatives because, in addition to creating a prescription drug benefit, it provides limited but necessary free-market reforms to ensure the long term solvency of Medicare and brings us a step closer toward ensuring the financial security of Medicare for current and future beneficiaries. We especially support the move towards a premium support system of delivering health care benefits that was included in the House bill.

In addition, we voted for the bill because we were persuaded that if we did not pass this bill, the House would enact an even more expensive bill with fewer market-based health care reforms to Medicare. Furthermore, your letter offering to work towards the inclusion of a cost containment provision in any conference agreement with the Senate was a key to our decision to vote in favor of H.R. 1, which passed by just one vote.

Our deep reservations about the fiscal soundness of the prescription drug bill have been heightened by the recently released Congressional Budget Office report on this bill. Just days after we voted for a bill advertised as costing less than \$400 billion, CBO revised its estimates and now believes that the cost of the bill will significantly exceed \$400 billion. This is very troubling especially considering the history of federal entitlement programs costing far more than their early projections. Even more disturbing is CBO's contention that this bill, if enacted, would drive millions of seniors out of private drug insurance programs and into the new, inferior government program.

As such, we are writing to tell you that we cannot in good conscience vote for the Medicare prescription drug benefit bill when it comes out of conference if the Senate weakens the bill that we passed in the House.

Specifically, we will vote no on the prescription drug bill out of conference unless it includes four specific reforms that were part of the reason we voted for H.R. 1:

- 1) A policy of no price controls on the U.S. drug industry to insure continued innovation and financial health of this vital industry.
- 2) A policy that requires Medicare to compete with private insurers after the year 2010 so that taxpayer costs will be driven down through the forces of competition.

- 3) A generous expansion of health care savings accounts to give health care consumers more options in choosing health plans and coverage that meet their individual needs and control costs.
- 4) Finally, as we stated prior to our votes in favor of the House bill, the conference bill must include a cost control feature in the bill that guarantees that the price tag will not exceed \$400 billion over 10 years.

If the final drug bill does not meet each of these criteria, we believe that it would be contrary to the interests of current and future generations of taxpayers to vote for the bill.

Furthermore, should the conference committee be unable to reach a successful conclusion on the large prescription drug bill it has under consideration, we would encourage an alternative approach. Rather than a universal, unlimited entitlement, we strongly recommend that conferees fashion a limited prescription drug benefit serving only Americans who truly need it. Specifically, we would support a basic drug subsidy for low-income seniors and a catastrophic coverage for middle income seniors. This scaled-down model would provide the coverage to those who need it at a fraction of the cost of a new, unlimited entitlement.

We stand ready and eager to work with you toward achieving the goal of making prescription drugs more affordable.

Sincerely,

Pat Rooney

Joseph R Pitts

John Pitts

Marsha Blackburn

Elwood Hillis

Mark A. Miller

John Venson

Sue Myrick

Frank Franko

Frank Franko

Frank Franko ^{FLA. 24}

John Flaherty

Joe Barton