

# Congress of the United States

Washington, DC 20510

October 25, 2006

## Via Electronic Transmission

The Honorable Michael O. Leavitt  
Secretary  
Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, DC 20201

Dear Mr. Secretary:

We are writing to express our dissatisfaction with the *Medicare & You 2007 Handbook*, which was recently sent by the Department of Health and Human Services (HHS) to America's more than 42 million Medicare beneficiaries. As you know, the *Handbook* is the only direct and comprehensive communication that all Medicare beneficiaries receive on an annual basis about the Medicare program. Medicare beneficiaries refer to it time and again throughout the year because of its thorough and authoritative nature.

As an official government document, the *Handbook* should be an objective guide to Medicare benefits, as well as the options and rights beneficiaries have for obtaining them. However, the *2007 Handbook* presents a misleading and biased view of Medicare coverage and options. Overall, the *2007 Handbook* strongly favors HMOs, PPOs, and other private Medicare Advantage (MA) plans over the traditional Medicare fee-for-service program, which it refers to as "Original Medicare."

For example, the *Handbook* repeatedly tells beneficiaries that their costs in MA plans "may be lower than in Original Medicare." However, the "Medicare Basics" section of the *Handbook* does not mention that MA plans set their own cost-sharing amounts that may be higher than traditional Medicare for specific services. And the "Medicare Advantage" section of the *Handbook* glosses over the fact that plans can charge more than traditional Medicare for significant services, such as hospital care, that may be disproportionately used by beneficiaries in less than optimal health. A recent study by The Commonwealth Fund found that some MA plans charge as much as \$300 per day for hospital care and \$5,600 for cancer chemotherapy. For beneficiaries in poorer health who get admitted to a hospital several times a year or need cancer care, MA costs could be far higher than traditional Medicare. The *Handbook's* lack of clarity on cost-sharing paints a distorted picture of MA plans and is inappropriate for an objective, taxpayer-funded publication and resource.

In addition, the *2007 Handbook* fails to mention that MA plans are not required to offer—and most often do not offer—the same level of Parts A and B benefits as traditional Medicare. In contrast, the *Handbook* consistently promotes MA plans as offering "extra benefits" relative to

traditional Medicare. However, a MA plan may skimp on the value of or otherwise increase cost-sharing for core benefits such as home health and physical therapy care relative to traditional Medicare, while offering coverage for items not normally covered under Medicare such as eyeglasses and gym memberships. Variations in benefits and cost-sharing—and corresponding implications for beneficiaries—are too numerous to delineate in a publication produced to inform all beneficiaries. The only appropriate reference would be to acknowledge that benefits and cost-sharing in MA plans differ from traditional Medicare and to refrain from the use of value judgments and general terms that apply neither to all MA plans nor to all beneficiaries who would enroll in them. In short, the *Handbook* fails to present a fair and balanced view of the trade-offs between MA plans and traditional Medicare.

Moreover, the *2007 Handbook* indicates that beneficiaries who are happy with their current coverage do not need to change in the coming year. This advice is improper as virtually all plans make changes to their premiums, covered benefits, and cost sharing from year to year. Therefore, on an annual basis, beneficiaries must reevaluate their needs and any changes to their current plan for the upcoming year to determine if it is still the right fit for them.

In discussing the Medicare prescription drug benefit, the *2007 Handbook* implies that changes to Medicare prescription drug plan formularies occur only as a result of changes in drug therapies or as new medical knowledge becomes available. This is untrue. Drug plans can and do change their formularies for business and other reasons, and beneficiaries should know this.

In addition, the *2007 Handbook* discusses other products such as long-term care insurance and reverse mortgages that are not part of Medicare. HHS should not use the *Medicare & You Handbook* to advertise insurance products that are not affiliated with Medicare, particularly because such products may be inappropriate for many beneficiaries.

We continue to believe that future *Handbooks* must present unbiased, clear and comprehensive information on the Medicare program. We have consistently provided similar comments to the Administration over the past few years, but these concerns have been largely ignored. Even though the *2007 Handbook* is now final, we urge you to consider our comments in light of other educational materials available to Medicare beneficiaries, such as the web-based tools for finding plans and comparing coverage options. Language used in the web-based tools is equally biased and problematic, but could be corrected virtually overnight. In addition, the web-based tool Medicare Options Compare allows a beneficiary to compare their current coverage with other private plan options. However, beneficiaries in traditional Medicare are only shown their costs in traditional Medicare compared to MA options; the tool does not reflect any other coverage they may currently have—e.g., Part D, retiree coverage and/or Medigap—thus providing an incomplete and misleading cost comparison.

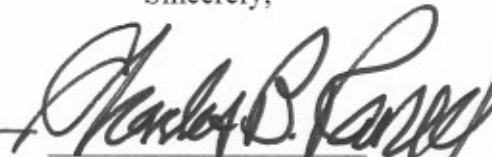
In all cases, people with Medicare deserve balanced information so they can make well-informed choices among the options that Congress has made available to them through the Medicare program.

Thank you for your attention to this important matter. We look forward to your response.

Sincerely,



Max Baucus  
Ranking Member  
Committee on Finance  
U.S. Senate



Charles Rangel  
Ranking Member  
Committee on Ways and Means  
U.S. House of Representatives



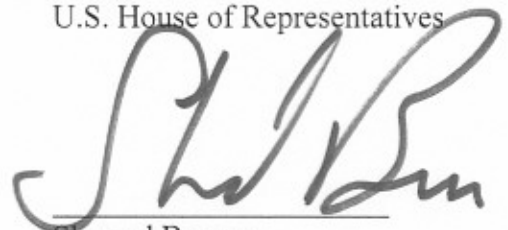
John D. Dingell  
Ranking Member  
Committee on Energy and Commerce  
U.S. House of Representatives



John D. Rockefeller  
Ranking Member,  
Health Subcommittee  
Committee on Finance  
U.S. Senate



Pete Stark  
Ranking Member,  
Health Subcommittee  
Committee on Ways and Means  
U.S. House of Representatives



Sherrod Brown  
Ranking Member,  
Health Subcommittee  
Committee on Energy and Commerce  
U.S. House of Representatives