United States Senate
WASHINGTON, DC 20510

February 25, 2014

The Honorable Kathleen Sebelius
Secretary
Department of Health and Human Services
200 Independence Avenue SW
Washington, D.C. 20201

Dear Secretary Sebelius:

We write to express our deep concerns with a series of Department of Health and Human Services' actions to implement Obamacare and radically alter the Medicare prescription drug benefit in ways that will increase premiums, reduce choices, and cause America's seniors to lose access to the health plans they were promised they could keep. We call upon the Administration to act within the bounds of the law to limit the negative impact these misguided policies will have on seniors.

Approximately 15 million Medicare beneficiaries, and more than half of new enrollees in 2012 chose Medicare Advantage, largely because they believe the program provides improved care at a better value than traditional Medicare. Unlike traditional Medicare, Medicare Advantage coordinates patient care and provides additional benefits designed to keep seniors healthy in the first place.

During the debate on Obamacare, many of us warned about the impact on America's seniors of raiding Medicare to finance a new entitlement program. At the time, we cautioned that the steep cuts to Medicare Advantage required by Obamacare would cause seniors to lose access to many of the health plans and benefits that they had and liked, contrary to the President's promises. Rather than heeding these warnings, the Administration resorted to placing gag orders to prevent plans from warning their customers, and then implemented demonstration projects of dubious legality to address its own political vulnerabilities.

Like America's seniors, we are deeply concerned about the cumulative impact of Obamacare's Medicare Advantage cuts and tax increases. Last year, the combination of cuts mandated by Obamacare, the imposition of a new Obamacare premium tax, and other factors caused reimbursement rates to fall significantly. On Friday, the Department announced an additional round of cuts to Medicare Advantage.

Obamacare's cuts to Medicare Advantage are hitting home for seniors. Independent actuaries at Oliver Wyman have estimated that the cumulative impact of these changes will increase costs or cut benefits for seniors dramatically. This is a significant blow to seniors, many of whom are on a fixed income. To mitigate this financial impact, plans may be forced to reduce benefits or

worse still, withdraw from certain communities – causing seniors to lose the health plans they were told, by your administration, they could keep.

In addition to these cuts to Medicare Advantage, we are deeply troubled by the Department's recent 700-page proposal to fundamentally undermine the core principles – private competition and consumer choice – that have made the Medicare prescription drug program a success.

We are particularly concerned about proposals that could reduce the number of plans available to seniors, in direct contravention of the President's promise to the American people. We are also troubled that the agency's proposal would unilaterally make changes to the Medicare prescription drug benefit without any congressional action; such action has become a troubling trend by this administration.

Unlike Obamacare, the Medicare prescription drug benefit is wildly popular and it has cost less than initial predictions. At a time when HHS is struggling on basic implementation tasks on many fronts, we cannot understand the logic behind the Department's interest in further undermining one of the few success stories under its purview.

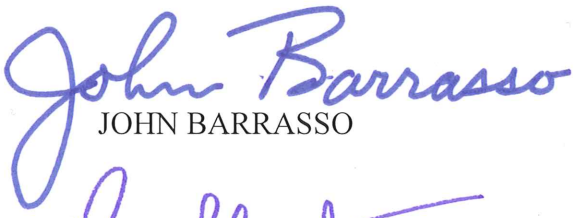
Now is no time to impose higher costs or reduce options for America's seniors. We respectfully urge you to suspend these misguided policies.

Sincerely,

MITCH McCONNELL

JOHN CORNYN

JOHN THUNE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