

January 11, 2007

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, D.C. 20515

Dear Madam Speaker:

The undersigned are a group of business trade associations who support comprehensive Medicare reform and a prescription drug benefit for all Medicare beneficiaries. We strongly supported enactment of the Medicare Modernization Act (MMA) and are very pleased by its success to date. As business leaders, we believe the Part D program has proven effective in providing Medicare beneficiaries, including those who are retirees, with affordable prescription drug coverage and we support continuation of this robust and popular Part D benefit.

We do not believe a compelling case has been made for direct negotiation by Medicare on prescription drug prices. The private market has delivered impressive cost savings for beneficiaries and Medicare itself through a broad range of competing drug plans. We encourage you to oppose any efforts that may lead to price controls to prescription drugs. Price controls could lead to limited choices and options for Medicare's beneficiaries and increase the cost of health plans serving working Americans through cost-shifting.

Our respective associations do believe that the Medicare program must be modernized to promote quality through the use of financial incentives for health care providers that meet performance and quality standards; the development of evidence-based, best practice standards to drive improvement in quality, safety, and value; and the disclosure of Medicare data on quality, safety, effectiveness, and efficiency of Medicare providers to beneficiaries.

We look forward to working with the 110th Congress on these and other issues surrounding the continued success of the Medicare Part D prescription drug benefit and the long-term success of the overall Medicare program.

Sincerely,

*American Benefits Council
National Association of Manufacturers
National Business Group on Health
National Retail Federation
U.S. Chamber of Commerce
The ERISA Industry Committee*

CC: Members of the House of Representatives