

November 6, 2000

Senate Majority Leader Harry Reid
United States Capitol S-221
Washington, DC 20510

Dear Majority Leader Reid:

The undersigned organizations, representing more than 31 million federal, state and local government workers and retirees, urge you to bring to the Senate floor and pass H.R. 3631, the Medicare Premium Fairness Act, already approved by the House of Representatives on September 24 in an overwhelming vote of 406-18.

H.R. 3631 deserves the support it receives because it brings equity among Medicare Part B beneficiaries that the current law's "hold harmless" provisions do not. With no Social Security cost of living increase in 2010, most beneficiaries will not have their Part B premium increased.

However, approximately 27 percent of Part B enrollees are not covered by the "hold harmless" law. These beneficiaries will not only pay a higher premium; they will have to shoulder the costs of the other 73 percent "held harmless." Estimates are that this could affect eleven million retirees. Over 1 million are federal, state and local government retirees do not have Medicare premiums withheld from a Social Security check because they are not eligible to receive Social Security. This is simply not a fair proposition for the public-sector retirees we represent and other older Americans who resemble their hold harmless counterparts in every respect, except for the deduction of the premium from Social Security.

The Centers for Medicare and Medicaid Services has announced that next year's Part B premium for those unprotected beneficiaries will rise from \$96.40 to \$110.50. That represents an increase of over fourteen percent in a year with no adjustments to their pensions.

Unless legislation is enacted soon, the opportunity to correct this unfair situation by the time January 2010 checks are issued will be past. Please support us and other older Americans who are only seeking equal treatment as others who participate in the Part B program by passing the Medicare Premium Fairness Act.

Sincerely,

National Active and Retired Federal Employees Association