

House Energy and Commerce Committee

Subcommittee on Health

IPAB: The Controversial Consequences for Medicare and Seniors

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Statement of

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## **Men's Health Network Addresses Medicare Costs and Improvements**

We welcome this opportunity to express our concerns about patient care and the costs associated with same.

In a recent address at George Washington University, President Obama said, "We will slow the growth of Medicare costs by strengthening an independent commission of doctors, nurses, medical experts and consumers who will look at all the evidence and recommend the best ways to reduce unnecessary spending while protecting access to the services seniors need."

We share the President's concern, and that of Congress, for the escalating burden of health care costs in Medicare and Medicaid, but differ on how best to address those costs. However, we are concerned that the Independent Payment Advisory Board will limit access to necessary therapies while taking the decision about how to improve Medicare away from our elected officials.

Specifically:

- We are concerned that there is minimal, if any, patient representation on the Independent Payment Advisory Board (IPAB) and that the Board is being given powers that should reside with Congress, where patients', caregivers', and families' voices can be heard.
- We are concerned that the IPAB will limit access to life saving drugs, thereby endangering the lifestyles of retirees while causing Medicare costs to rise due to increased hospitalizations from advanced health conditions that would have been treatable or preventable.
- We are concerned for the future of drug innovation in this country. We are the leader in developing new products that promise and deliver better health outcomes for our citizens, seniors included, and we want to continue that leadership. If payment for a drug or treatment is denied based on cost, what message does that sent to companies that might be working on new, life-saving or life-extending drugs or treatments that might be expensive?

The best way to hold down medical costs is not to make it harder for patients, including seniors, to access life-saving drugs that allow a person to enjoy a healthy lifestyle well into their old age. Instead, we should insure that Medicare focuses on prevention and early detection, and timely treatment with innovative and effective therapies.

The President was correct in addressing the number of days spent in a hospital, and the expense associated with those stays. The Medicare Part D program has been amazingly successful, coming in well under expected budget. Medicare Part D has made the pharmaceutical products that allow retirees to continue a healthy lifestyle available at reasonable cost. By doing so, it has provided for the treatment of potentially life threatening or crippling health conditions before they advance, forestalling the need for expensive hospital stays.

Medicare will best serve the aging population by insuring that every person entering Medicare receives a Welcome to Medicare Physical, unless they choose not to participate, that will provide guidance for their health maintenance as they age. Unfortunately, due to failure to adequately inform retirees, less than 10% of those eligible receive this life-saving examination and consultation.

The Welcome to Medicare Physical was passed by Congress as part of the Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003. According to the law passed by Congress, the Welcome to Medicare Physical "...means physicians' services consisting of a physical examination...with the goal of health promotion and disease detection and includes education, counseling, and referral with respect to screening and other preventive services."

This CMS description of this critical benefit should provide guidance for the Administration's prevention initiatives in Medicare. "The 'Welcome to Medicare' physical exam...(is)...an easy way for you and your doctor to get an accurate benchmark for your health now and in the future. During the exam, you and your physician will review your medical and family history, assess current health conditions and prescriptions, and conduct screenings to establish a baseline for future, personalized care. You will also have an opportunity to talk about short- and long-term steps to improve your health and stay well under the care of doctors participating in the Medicare program."

Catching health problems, or the signs of developing health problems, early when they are treatable or preventable is the best way to ensure healthy retirement years with less expense to Medicare. Treating those conditions with drugs and other therapies before there is a need for hospitalization and possible rehabilitation is the most cost effective way to provide for the health of our seniors.

We call on the Administration to make real improvements in Medicare by ensuring that every available person entering Medicare receive their Welcome to Medicare Physical, the life saving prevention consultation that they deserve, and have paid for. It is through prevention and innovation that we can reduce unnecessary spending while protecting access to the services and therapies seniors need.

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