

November 19, 2003

Mr. William D. Novelli  
Executive Director and CEO  
AARP  
601 E Street, NW  
Washington, D.C. 20049

Dear Mr. Novelli:

We have long advocated the addition of a prescription drug benefit to Medicare, and we believe strongly in the need to do so this year. However, we write to express our profound concern about your decision to give the AARP's endorsement to the Republican Medicare legislation soon to be considered in Congress, and to ask for more information about how you arrived at this decision.

Under the bill, up to a quarter of Medicare beneficiaries would have to pay more for prescription drugs than they do now; up to seven million seniors would pay higher Medicare premiums unless they join an HMO and give up their choice of doctor; two to three million retirees would lose the drug coverage provided by their former employers; millions of seniors would go without drug coverage for parts of every year, even though they would be charged premiums year-round; seniors would be prohibited from purchasing U.S.-made drugs from Canada at lower prices; and billions of taxpayer dollars would be squandered on unnecessary subsidies to HMOs and new tax shelters for the wealthy.

Earlier today, more than 500 seniors came to the Capitol to protest this legislation and petition Congress against it. Many traveled great distances. They are angry and frustrated that their simple request for the addition of prescription drug coverage to Medicare has been answered with a bill that undermines Medicare and serves the agendas of big drug and insurance companies. This view appears to be broadly held; a poll released today by Peter D. Hart Research found that by a margin of 61% to 26%, AARP members view the pending Medicare bill unfavorably.

In order for members of Congress and the public to better understand your decision, we would appreciate your answers to the following questions:

1. How can you reconcile AARP's strong endorsement of this legislation with the documented rejection of the bill's policies by seniors, including AARP members, by a 3 to 1 margin?
2. In order to dispel any perception of a possible conflict of interest, is AARP willing to make a commitment not to become a direct or indirect marketer of discount cards, pharmacy drug benefit plans, or any other managed care health plan offerings to Medicare beneficiaries called for in this bill?

Again, we agree with AARP that action on prescription drug legislation is long overdue, but we believe that the policies being supported by AARP in this bill are severely flawed, not in the best interests of America's seniors, and can and must be improved upon.

Sincerely,

Nancy Pelosi  
Democratic Leader  
U.S. House of Representatives

Tom Daschle  
Democratic Leader  
U.S. Senate