



President  
**Barbara J. Easterling**

Secretary-Treasurer  
**Ruben Burks**

January 31, 2013

Dear Senator Klobuchar:

On behalf of the four million members of the Alliance for Retired Americans, we are writing in support of your legislation, the Medicare Prescription Drug Price Negotiations Act, S. 117. This legislation is critical for older Americans and will help the government and seniors save money under the Medicare program.

As you know, the Medicare Prescription Drug, Improvement and Modernization Act of 2003, which created the Medicare Part D prescription drug program, explicitly forbids the government from negotiating lower prices for Medicare beneficiaries. Your legislation amends that law to require the Secretary of Health and Human Services to negotiate lower prices; thus, saving American taxpayers billions of dollars. While other government programs such as the Veterans Administration and Medicaid currently get discounted rates when they purchase prescription drugs, Medicare has not obtained comparable discounts.

As a bulk purchaser of prescription drugs, Medicare should be able to obtain lower prices, but that has not occurred. According to a 2008 Report by the House Committee on Government Reform and Oversight, which examined drug costs for the top 100 drugs used by both programs, Medicare paid on average 30% more than the Medicaid program. As a result, U.S. taxpayers and Medicare beneficiaries have been paying more for their prescription drugs. The report also found that if the government negotiated lower prices, the federal government and Medicare beneficiaries would save near to \$200 billion over 10 years.

We thank you for introducing this important legislation and look forward to working with you. Your leadership in this effort demonstrates your commitment to older Americans.

Sincerely yours,

Handwritten signature of Barbara J. Easterling in black ink.

Barbara J. Easterling  
President

Handwritten signature of Ruben Burks in black ink.

Ruben Burks  
Secretary-Treasurer

Handwritten signature of Edward F. Coyle in black ink.

Edward F. Coyle  
Executive Director

