



September 26, 2008

The Honorable Chris Smith
United States House of Representatives
2373 Rayburn House Office Building
Washington, D.C. 20515

Dear Representative Smith:

AARP is pleased to endorse the Independence at Home Act. This bill targets Medicare beneficiaries with multiple chronic conditions, who have higher health costs, see more health care providers, and have a greater need for coordination of their care.

According to the U.S. Centers for Disease Control and Prevention, the problem of chronic diseases – such as cardiovascular diseases and diabetes, must be addressed if we are to tackle escalating health care costs. AARP believes it is critical that the Medicare program act as leader and leverage for change in the health care system. This legislation has the potential to both improve quality and save costs. In short, it is a necessary building block for health care reform.

Some Medicare beneficiaries receive chronic care management or coordination through their Medicare Advantage plans, but for the vast majority of Medicare beneficiaries – who choose to receive their care in the traditional program – generally there is no formal assessment of their overall care needs or care coordination provided. AARP wants to ensure that beneficiaries have access to chronic care services regardless of their coverage option. This bill would establish a large demonstration program to provide assessments and chronic care coordination services to eligible Medicare beneficiaries on a voluntary basis.

AARP strongly supports efforts to bring chronic care coordination services to fee-for-service Medicare. This bill would target Medicare's highest cost population by focusing on those beneficiaries with: two or more chronic conditions; a history of high utilization of services; and who need assistance with activities of daily living.

This legislation aligns with AARP efforts to help people remain independent in their homes, improve care coordination for those with multiple chronic conditions, and support the role of family caregivers.

The legislation requires minimum performance standards for patient outcomes; patient, caregiver, and provider satisfaction; and mandatory minimum savings of 5 percent annually. Given the mandatory savings requirement, this bill should be

The Honorable Chris Smith
September 26, 2008
Page 2

scored by the Congressional Budget Office as a saver and can be used to help pay for other critical Medicare improvements. An independent evaluation will also provide information that could be useful in expanding chronic care coordination services more broadly in the Medicare program.

We look forward to working with you and your colleagues on both sides of the aisle to enact this needed legislation. If you have any further questions, please feel free to contact me, or have your staff contact Rhonda Richards of our Government Relations and Advocacy staff at 202-434-3770.

Sincerely,

A handwritten signature in black ink that reads "William D. Novelli". The signature is written in a cursive, flowing style.

William D. Novelli
Chief Executive Officer