



THE SECRETARY OF HEALTH AND HUMAN SERVICES

WASHINGTON, D.C. 20201

January 26, 2011

The Honorable Tom Coburn
United States Senate
Washington, DC 20510

Dear Senator Coburn:

Thank you for your letter regarding the Department of Health and Human Services' (HHS) efforts to educate Medicare beneficiaries, caregivers, and family members about forthcoming changes to Medicare as a result of the Affordable Care Act.

The Administration is proud of this historic legislation, which provides many new and important benefits to the more than 40 million seniors and people with disabilities who rely on Medicare for their health coverage. These improvements are being made simultaneously with changes that will improve the solvency of the Medicare trust funds (by reducing substantial overpayments to most Medicare Advantage plans while providing bonus payments to well-performing plans); reform the delivery system with a keen focus on improving health care quality; and provide new tools to eliminate fraud and abuse.

At the request of various Members of Congress, the Government Accountability Office (GAO) has twice investigated these educational efforts, and has twice found that HHS has violated no law. In fact, in its most recent opinion issued on October 19, 2010, GAO concluded:

- “[HHS] television advertisements did not violate the publicity or propaganda prohibition because they clearly identified their source, were not self-aggrandizing, and were not a purely partisan activity;” and
- “HHS did not violate the publicity or propaganda prohibition... when it produced and aired the television advertisements.”

Responses to other questions posed in your letter are below. It is important to note that spending for this year is consistent with spending in other years when Congress made important statutory changes. For example, in 2004, after the passage of the Medicare Modernization Act, the Centers for Medicare & Medicaid Services spent \$61.7 million on advertising and education campaigns.

1. Funding for the advertisement campaign featuring Andy Griffith was drawn from the Medicare Operations Program Management Account.
2. Total multi-media Medicare Education Campaign spending for 2010 to educate beneficiaries about the changes to the Medicare program as a result of the Affordable Care Act is estimated to be \$15,223,073.

3. The projected total cost of the health reform mailer and the fall *Medicare & You* handbook are \$18.7 million and \$37.9 million, respectively.
4. The total costs of the annual enrollment periods for 2009 and 2010 are as follows:
2009: \$8,601,373
2010: \$15,223,073
5. The total budget for Medicare beneficiary information and outreach is calculated separately from the annual open enrollment period. According to the National Medicare Education Program, the totals for fiscal years 2009 and 2010 are as follows:
FY 2009: \$389,962,693
FY 2010: \$409,164,975

As you know, Medicare open enrollment was November 15 through December 31, 2010. During open enrollment periods, Medicare beneficiaries are reminded to review their coverage options and medical needs. The goal of this comprehensive education and outreach campaign is to provide beneficiaries with the information they need to ensure they are enrolled in the best option, whether they choose Original Medicare or a Medicare Advantage plan, for their health needs.

Thank you again for your letter. I appreciate your interest in this important issue as we work towards our mutual goal of ensuring beneficiary access to medically necessary items and services.

Sincerely,



Kathleen Sebelius