



**BlueCross BlueShield
Association**

An Association of Independent
Blue Cross and Blue Shield Plans

July 30, 2007

The Honorable Nancy Pelosi (*CA-08 D*)
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Scott Serota
President and CEO
225 North Michigan Avenue
Chicago, Illinois 60601-7680

Dear Speaker Pelosi:

On behalf of the Blue Cross and Blue Shield Association – which represents 39 community-based Blue Cross and Blue Shield Plans that collectively provide coverage for 98 million Americans – I am writing to urge your opposition to the “Children's Health and Medicare Protection (CHAMP) Act” (H.R. 3162). This bill’s massive cuts to the Medicare Advantage program would be devastating to millions of seniors and disabled individuals currently enrolled in the program – most of whom are on fixed incomes and cannot afford to pay more for their healthcare.

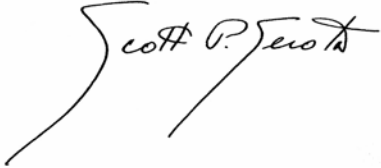
We agree that reauthorization of the State Children’s Health Insurance Program (SCHIP) should be a top priority for Congress this year. Blue Plans currently provide services to one-third of individuals enrolled in SCHIP and share Congress’ commitment to ensuring the continued success of the program. However, I urge that you oppose the CHAMP Act and ask that it be sent back to committee to craft a reasonable, bipartisan SCHIP reauthorization bill that protects Medicare Advantage coverage.

Today, Blue Plans provide coverage to 1.3 million Medicare Advantage enrollees and believe it is critical to preserve this popular option that provides comprehensive, coordinated care with lower cost-sharing. Unfortunately, instead of protecting Medicare, the CHAMP Act calls for massive funding cuts to Medicare Advantage and an unprecedented level of government overregulation that will force millions of Medicare beneficiaries to pay more and get less -- or lose their coverage altogether.

I also believe it is very short-sighted that the CHAMP Act compromises the one part of Medicare that can control costs and improve quality over the long-term. The gutting of Medicare Advantage will undermine coordinated care programs that are essential to address the complexities of managing chronic illnesses. Ironically, the bill recognizes those in Medicare should have this option by calling for demonstration programs to develop what Congress is taking away.

Please vote against this bill in its current form and join me in urging that it be sent back to committee with a message to protect the nearly 9 million beneficiaries enrolled in Medicare Advantage.

Yours in good health,

A handwritten signature in black ink that reads "Scott P. Serota". The signature is written in a cursive style with a large, sweeping initial "S" that extends downwards and to the left.

Scott P. Serota
President and CEO
Blue Cross and Blue Shield Association