

Altmire Testifies Before Ways and Means Committee

(Washington, DC) - Today, U.S. Rep. Jason Altmire (PA-4) brought his effort to make health care more affordable for western Pennsylvania's seniors before the Ways and Means Health Subcommittee. The subcommittee held a hearing this morning on Medicare programs for low-income beneficiaries and how simple changes could help millions of Americans obtain the financial support and access to medical care that they need and deserve.

Rep. Altmire testified about his bill, the Relief and Elimination of the Medicare Enrollment Deadline Penalty (REMEDY) Act (H.R. 1310), which would delay the Medicare Part D late enrollment penalty for the first two years of the program and permanently eliminate the late enrollment penalty for low-income subsidy beneficiaries, who may otherwise find it difficult to pay for the increase in their monthly premium.

"In the months leading up to the initiation of the Medicare Part D program, beneficiaries were inundated with information about coverage options, which often caused confusion and frustration among seniors. It was simply too much information to consume within too short of a time frame," said Rep. Altmire. "As of June 11, 2006, approximately 4.4 million Medicare beneficiaries did not have prescription drug coverage and thus may be subject to a late enrollment penalty. In my district, the Pennsylvania Department of Aging estimates that 14,000 individuals are eligible for coverage, but are not enrolled."

"I introduced the REMEDY Act to provide Medicare beneficiaries with sufficient time in which to evaluate the myriad of coverage options available to them. Choosing a health care plan is one of the most important decisions one can make," said Rep. Altmire. "It is only fair to provide beneficiaries with the time necessary to properly choose an appropriate plan. The REMEDY Act provides much needed relief to millions of Medicare beneficiaries, particularly those with limited incomes."

"Seniors and people with disabilities should not be penalized for taking the time to determine which prescription drug plan is right for them," said Rep. Pete Stark (D-CA), Chairman of the Ways and Means Health Subcommittee. "I commend Congressman Altmire for introducing the REMEDY Act and testifying before the Health Subcommittee about the importance of waiving the late enrollment penalty for low-income beneficiaries. I look forward to working with Congressman Altmire and my colleagues on both sides of the aisle to enact this important legislation."

As part of the Medicare Modernization Act of 2003 (MMA), Congress included provisions to apply a late enrollment penalty to the monthly premiums of Medicare beneficiaries who failed to select a prescription drug plan by the end of the initial enrollment period on May 15, 2006. The rationale for the late enrollment penalty was based in part on experience with the Medicare Part B program and to prevent adverse selection. The late enrollment penalty is approximately 1% of the average monthly premium multiplied by the number of months an individual delays enrolling. The penalty applies for as long as the beneficiary is enrolled in a Part D plan.

H.R. 1310 will:

- Delay the implementation of the late enrollment penalty for the first two years, 2006 and 2007, of the program;

- Direct the Secretary of Health and Human Services to devise a system in which to distribute rebates to any Medicare beneficiaries who may have paid a late enrollment penalty; and

- Codify a one-year waiver of the late enrollment penalty for low-income beneficiaries by the Centers for Medicare and Medicaid Services (CMS) in January 2007 and make it permanent.

"The REMEDY Act offers a straightforward approach that maintains the current design of the Medicare Part D program and protects against adverse selection, while providing relief for millions of seniors," Rep. Altmire concluded. "I look forward to working with Chairman Stark and members of the committee to advance this much needed fix."