

Altmire Urges Senate to Waive Medicare Part D Late Enrollment Penalty

(Washington, DC) — U.S. Congressman Jason Altmire (PA-04) today sent a letter to the Chairman and Ranking Member of the Senate Finance Committee, Senators Max Baucus (D-MT) and Charles Grassley (R-IA), urging them to include the Relief and Elimination of the Medicare Enrollment Deadline Penalty (REMEDY) Act (H.R. 1310) in Medicare reform legislation this year.

Congressman Altmire introduced this bill last year to provide relief to millions of Medicare beneficiaries who were penalized for not signing up for prescription drug coverage under the Medicare Part D program. Approximately 4.4 million Medicare beneficiaries did not have prescription drug coverage as of June 11, 2006 and therefore may be subject to a late enrollment penalty.

“With rising health care costs and a slowing economy, the last thing seniors need is to be penalized for taking the time necessary to choose an appropriate Medicare Part D prescription drug plan,” Altmire said. “By including the REMEDY Act in Medicare reform legislation this year, Congress can protect millions of seniors from being hit with a costly late enrollment fee at the time when they can least afford it.”

When the Medicare Part D prescription drug program began in 2006, many Medicare beneficiaries were confused and frustrated by the large number of different plan options. Those who did not sign up for prescription drug coverage during the initial enrollment period had a late enrollment penalty added to their regular monthly premiums for each month they were not enrolled. This penalty is calculated as at least one percent of the base beneficiary’s premium and is permanent for as long as the beneficiary participates in the program.

The REMEDY Act would delay implementation of the late enrollment penalty for two years to provide seniors with the time needed to choose the right prescription drug plan for them. In addition, it permanently eliminates the enrollment penalty for low-income subsidy (LIS) beneficiaries. LIS beneficiaries are individuals with incomes below 150 percent of poverty, including those identified as dual eligibles, MSP enrollees, or SSI recipients.

Last August, the House included the REMEDY Act in its version of the Medicare bill when it took action to permanently eliminate the late enrollment penalty for LIS beneficiaries as part of the Children’s Health and Medicare Protection Act (Section 226; H.R. 3162). In addition, the Centers for Medicare and Medicaid Services (CMS) subsequently announced its decision to waive the late enrollment penalty for LIS beneficiaries for 2008.