

Bush Administration Adopts Altmire Proposal

(Washington, DC) - The Bush Administration took a step forward today toward adopting a policy championed by Congressman Jason Altmire (PA-4) by waiving the Medicare Part D late enrollment penalty for low-income seniors through December 2008. As part of his ongoing commitment to make health care more affordable for western Pennsylvania's seniors, Congressman Altmire has been pushing to eliminate the penalty permanently. In March, Congressman Altmire introduced the Relief and Elimination of the Medicare Enrollment Deadline Penalty Act (H.R. 1310) to ensure access to prescription drug coverage under Medicare Part D by permanently eliminating the late enrollment penalty for low-income seniors. Subsequently, the legislation was incorporated into the Children's Health and Medicare Protection (CHAMP) Act that passed on August 1 by a vote of 225 to 204.

"Today's announcement by the Bush Administration is a positive step toward providing relief to millions of Medicare beneficiaries who need help paying for the high cost of prescription drugs," said Congressman Altmire. "Seniors should not be punished for taking the time necessary to make important decisions about their health care. While the one-year extension is commendable, I will continue to lead the charge for permanent relief for low-income seniors."

The Centers for Medicare and Medicaid Services made the announcement today in a memorandum from Medicare Plan Payment Group Director Tom Hutchinson to insurance companies who administer the Part D prescription drug plans. According to the memo, "Medicare beneficiaries who qualify for the low-income subsidy for Medicare prescription drug coverage may enroll in a drug plan with no penalty through December 31, 2008." Originally, a waiver of the late-enrollment penalty for low-income seniors was permitted through December 31, 2006 and was later amended to continue it through 2007. As a result of today's announcement, new, low-income enrollees will not be assessed the penalty for uncovered months in 2006, 2007 and 2008.

The 108th Congress created a late enrollment penalty for Medicare beneficiaries who failed to select a prescription drug plan by the end of the initial enrollment period on May 15, 2006. The penalty applies to millions of seniors despite widespread confusion about options available to beneficiaries at the onset of the program and it applies regardless of income. Currently these beneficiaries are charged a 1% penalty for each month in which a beneficiary is not enrolled in the program and applies for as long as the individual is enrolled in a Part D plan. Congressman Altmire's legislation would permanently eliminate this fee for low-income beneficiaries.