

August 22, 2016

The Honorable Bob Casey
393 Russell Senate Office Building
U.S. Senate
Washington, DC 20510

The Honorable Chuck Schumer
322 Hart Senate Office Building
U.S. Senate
Washington, DC 20510

Dear Senator Casey and Senator Schumer:

The undersigned organizations share a commitment to advancing the health and economic security of older adults, people with disabilities, and their families. Together, we represent the 55 million Americans who rely on Medicare for guaranteed access to health benefits. We are writing to express our strong support for the Beneficiary Enrollment Notification and Eligibility Simplification (BENES) Act (S. 3236).

The basic rules underpinning the Part B enrollment system were developed more than fifty years ago, when Medicare was first established. As such, the BENES Act offers long-overdue solutions to modernize and simplify Part B enrollment. Through bipartisan, low-cost reforms, the BENES Act shields people with Medicare from steep premium penalties, fills needless gaps in coverage, and expands avenues for relief among those who mistakenly delay or decline Part B.

While many individuals are automatically enrolled in Medicare because they are receiving Social Security benefits, an increasing share of newly eligible beneficiaries must actively enroll in the benefit. Knowing when and when to enroll in Part B requires that a person understand when to sign up during time-limited windows, how their current insurance will work with Medicare, and what penalties may result if enrollment is inappropriately delayed. The consequences of missteps can be significant and often lead to a lifetime of higher Part B premiums.

In 2014, 750,000 people with Medicare were paying a Part B Late Enrollment Penalty (LEP) and the average LEP amounted to nearly a 30 percent increase in a beneficiary's monthly premium.¹ In addition to this considerable penalty, many retirees and people with disabilities face significant out-of-pocket health care costs, gaps in coverage, and barriers to care continuity resulting solely from honest enrollment mistakes.

The BENES Act significantly alleviates these challenges. S. 3236 fills long-standing gaps in notice and education for those approaching Medicare eligibility, aligns and simplifies Part B enrollment periods, and updates and expands existing mechanisms for those seeking reprieve. Taken together, these changes will help prevent costly enrollment slipups among the 10,000 people becoming Medicare eligible each day.

For many people new to Medicare, there is no communication that provides education on when and how to enroll in Medicare or what may result from delayed enrollment, nor is there any trigger to spur individuals to seek out this information. As a result, many of our organizations hear from seniors and people with disabilities who wrongly believed that because they had existing insurance, like COBRA benefits, retiree insurance, or a Marketplace plan, they did not need to enroll in Part B. These individuals often face severe consequences that can prevent them from receiving urgently needed health care.

¹ P. Davis, "Medicare: Part B Premiums," (Congressional Research Service: August 2016), available at: <https://www.fas.org/sgp/crs/misc/R40082.pdf>

The BENES Act requires that a clear and detailed notice explaining Part B enrollment rules is mailed to all individuals aging into Medicare and those nearing eligibility because they receive Social Security disability benefits. Additionally, S. 3236 brings Part B enrollment periods in line with those of private insurance products, including Medicare Advantage (MA) and Part D prescription drug plans, allowing for more uniform education and outreach. The BENES Act also guarantees that people with Medicare will no longer go without needed outpatient care due to needlessly delayed coverage start dates.

While enhancing notification and rationalizing enrollment periods will prevent many enrollment mistakes, it is vital that an adequate system is available to assist those who erroneously delay or decline Part B. Under the current mechanism—known as equitable relief—release from premium penalties and coverage delays is only available to those who can prove an entity of the federal government supplied misinformation on Part B enrollment. This avenue is unknown to most people and the standard for relief is nearly impossible to meet.

The BENES Act strengthens this process, providing that misinformation from other trusted sources, including employers, health plans, and State agencies, qualifies for equitable relief. Further, individuals paying full premiums for health insurance who did not realize Part B enrollment was necessary can similarly request equitable relief. S. 3236 also makes the equitable relief system more transparent and consumer-friendly through a standard application, a timeframe and written notice on decision-making, and the opportunity for independent review.

Far too many people with Medicare are irreversibly harmed—saddled with higher health care costs and barred from accessing needed care—due to an outdated Part B enrollment system. The BENES Act presents an important opportunity for members of Congress to advance commonsense, bipartisan reforms that are in the best interest of our nation’s older adults, people with disabilities, and the many millions of Americans who will soon come to rely on Medicare. We applaud your leadership on the BENES Act and your commitment to promoting the well-being of people with Medicare and their families.

Sincerely,

ACCSES

AFL-CIO

Aging Life Care Association

Alliance for Aging Research

Alliance for Retired Americans

AMDA – The Society for Post-Acute and Long-Term Care Medicine

American Association on Health and Disability

American Cancer Society Cancer Action Network

American Federation of Government Employees (AFGE)

American Federation of State, County and Municipal Employees

American Foundation for the Blind

American Geriatrics Society

American Society on Aging

Association of University Centers on Disabilities (AUCD)

Blue Shield of California

BlueCross BlueShield Association

California Health Advocates

Center for Elder Care and Advanced Illness, Altarum Institute
Center for Independence of the Disabled, NY
Center for Medicare Advocacy, Inc.
Christopher & Dana Reeve Foundation
Citizen's Action of New York
Community Catalyst
Community Services Center of Greater Wmsbg.
Compassion & Choices
Dialysis Patient Citizens
Disability Rights Education and Defense Fund (DREDF)
Easterseals
Empire Justice Center
Epilepsy Foundation
Families USA
Gay Men's Health Crisis (GMHC)
Gerontological Society of America
Health & Disability Advocates
Health and Welfare Council of Long Island
Health Care For All New York (HCFANY)
International Association for Indigenous Aging
The Jewish Federations of North America
Justice in Aging
Lakeshore Foundation
LeadingAge
Legal Services for the Elderly, Disabled or Disadvantaged of Western New York, Inc.
Lutheran Services in America
Maine Association of Area Agencies on Aging
Make Medicare Work Coalition (Illinois)
Medicare Rights Center
Metro New York Health Care for All
Military Officers Association of America (MOAA)
National Academy of Elder Law Attorneys (NAELA)
National Active and Retired Federal Employees Association (NARFE)
National Adult Day Services Association (NADSA)
National Adult Protective Services Association
National Association for Home Care & Hospice
National Association of Area Agencies on Aging (n4a)
National Association of Nutrition and Aging Services Programs (NANASP)
National Association of Social Workers (NASW)
National Association of State Head Injury Administrators
National Committee to Preserve Social Security and Medicare
National Consumer Voice for Quality Long-Term Care
National Council on Aging
National Health Law Program
National Hispanic Council on Aging (NHCOA)
National Multiple Sclerosis Society

National Partnership for Women & Families
New York Legal Assistance Group (NYLAG)
New Yorkers for Accessible Health Coverage
OWL - The Voice of Women 40+
Service Employees International Union (SEIU)
Social Security Works
The Arc of the United States
United Jewish Organizations of Williamsburg
Women's Institute for a Secure Retirement (WISER)

CC: The Honorable Orrin Hatch, Chairman, Senate Finance Committee
The Honorable Ron Wyden, Ranking Member, Senate Finance Committee