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Senators announce bipartisan bill to allow penalty-free enrollment in new prescription drug plan

WASHINGTON — A bipartisan group of senators said today they will seek immediate action on new legislation to waive the enrollment penalty for Medicare's new prescription drug benefit.

The proposal — sponsored by Sens. Chuck Grassley, Max Baucus, Mike DeWine, and Bill Nelson, and introduced today — is designed to encourage more beneficiaries to sign up during the next enrollment period for Medicare Part D, the new, voluntary drug benefit. The legislation also provides more resources for state-based efforts to help seniors, especially those who qualify for low-income benefits, make informed decisions about participating in the drug program.

The first six-month sign-up period for Part D ended yesterday. The next six-week sign-up period begins November 15. The bipartisan bill announced today would allow Medicare beneficiaries to sign up during the next open enrollment period without a one-percent per month penalty. It also would provide an additional \$18 million for counseling to Senior Health Insurance Information Programs and Area Agencies on Aging. In addition, Medicare program officials already have said that eligible beneficiaries may sign up for the low-income prescription drug benefit at any time during 2006 without penalty. Today's bill would waive in statute the late enrollment penalty for the low-income benefit.

During a news conference today, Grassley, Baucus, DeWine and Nelson said they hope to see Senate action on their legislation — the *Medicare Late Enrollment Assistance Act* — as quickly as possible.

“The prescription drug program is Medicare's most significant new benefit in 40 years,” said Grassley, chairman of the Senate Committee on Finance. “The first enrollment period for Part D was very successful. Waiving the enrollment penalty and further enhancing outreach efforts will help even more seniors choose to sign up. It stands to reason that it takes time for people to learn about benefits available to them. For example, employees with access to 401(k) plans and a generous employer contribution often don't sign up right away, even with a lot of encouragement from their employers. The more participants in Medicare Part D, the better for both the program's strength and seniors' quality of life. Medicare beneficiaries increasingly depend on life-enhancing and life-saving prescription drugs. Part D offers them an affordable way to obtain medicine prescribed by their doctors.”

“I believe it's right to cut seniors some slack in this first year, when there were too many

plans to choose from and more than a few kinks in the program's implementation," said Baucus, ranking member of the Senate Committee on Finance. "I helped write this benefit, and I want it to work. That's why we're also including additional funding to help rural seniors enroll. This bill is a positive compromise that lets seniors know if they missed the boat on May 15, there's still some grace available as this benefit gets off the ground."

"By waiving the Medicare Part D late enrollment penalty during the next sign-up period, we can give seniors the opportunity to make informed decisions about their prescription drug plan, penalty-free," said DeWine, a member of the Senate Committee on Health, Education, Labor, and Pensions. "Millions of Americans have signed up for this program to get help they need to pay for prescription drugs. My hope is that more people will benefit by waiving the penalty during the next enrollment period."

"This Medicare prescription drug program is confusing for too many seniors," Nelson said. "This bill will give seniors more time to sign up, without facing stiff financial penalties."

Grassley and Baucus were the principal Senate sponsors of the *Medicare Prescription Drug, Improvement and Modernization Act of 2003*, which created the new prescription drug benefit. DeWine and Nelson have sought to increase opportunities for beneficiary enrollment in the drug benefit this year. A number of senators have signed on to the legislation unveiled today as original co-sponsors, including Kyl, Carper, Talent, Lincoln, Snowe, Cantwell, Santorum, and Bayh.