

United States Senate Committee on Finance

MEMORANDUM

To: Reporters and Editors
Re: No Medicare Part D late fee for low-income enrollees
Da: Tuesday, Jan. 9, 2007

Sen. Chuck Grassley, outgoing chairman of the Committee on Finance, today made the following comment on the announcement from the Centers for Medicare and Medicaid Services that it will waive the Medicare Part D late enrollment fee for low-income beneficiaries.

“This is a good move. It makes it easier for low-income beneficiaries to sign up for a benefit intended for them. For some people, this could make the difference between signing up and not signing up. I appreciate CMS’ interest in increasing access to Medicare’s prescription drug coverage.”

The text of CMS’ press release follows here.

NO MEDICARE PART D LATE FEE FOR LOW-INCOME ENROLLEES, CMS SAYS

CMS Acting Administrator Leslie V. Norwalk announced the elimination of the 2007 late enrollment penalty for any beneficiary eligible for the low income subsidy for a Part D plan even if they failed to sign up by the program’s initial deadline.

Generally, Medicare beneficiaries who are qualified to join a prescription drug plan, or Part D, but choose not to enroll during their initial enrollment period, may be subject to a late enrollment penalty (LEP). These fees were intended to encourage Medicare beneficiaries to sign up for the drug coverage plan when they first become eligible, but may cause some low-income beneficiaries to avoid seeking coverage.

“It is very important that we remove whatever barriers may be preventing low-income beneficiaries from taking advantage of this great, cost-saving program,” said Ms. Norwalk. “This is our most difficult population to reach and the one for which we continue to focus our efforts. By continuing to remove the fear of a late fee for those who may not be able to pay, we are taking a positive step aimed at broader coverage for everyone.”

By taking today’s action, CMS is continuing the same protection against the LEP for low-income Medicare beneficiaries as it did during last year’s launch of the massive new program. Under the initiative announced today, certain low-income Medicare beneficiaries can enroll in a Medicare prescription drug plan with no penalty through December 31, 2007.

The program is aimed at seniors who qualify for extra help paying for their Medicare prescription drug coverage. Certain other groups are also exempt from the late fee, such as those who qualify for Medicare for the first time in 2007 and enroll in a prescription drug plan during their initial enrollment period.

There are two simple steps that a potential low-income beneficiary can take to secure Part D coverage. First, they can check with the Social Security Administration to determine eligibility for extra help paying for Medicare prescription drug coverage. Second, once the person is declared eligible for the low income subsidy, they can apply for drug coverage, with the late enrollment penalty waived.

Those who qualify for the low-income subsidy can join a prescription drug plan anytime throughout 2007. If they do not enroll on their own, Medicare will enroll them in the prescription drug plan that is most suitable for them.

For more information, call the Social Security Administration at 1-800-772-1213, or visit www.socialsecurity.gov on the web. TTY users should call 1-800-325-0778.

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