

Congress of the United States
Washington, DC 20515

June 2, 2011

The Honorable Kathleen Sebelius
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

The Honorable Michael J. Astrue
Commissioner
U.S. Social Security Administration
6401 Security Boulevard
Baltimore, MD 21235

Dear Secretary Sebelius and Commissioner Astrue:

We write regarding Medicare Part B in Puerto Rico. In every state and territory except Puerto Rico, Medicare-eligible beneficiaries are automatically enrolled in Part B when they become eligible for Part A, unless they opt out. Pursuant to a 1972 provision in the Social Security Act, beneficiaries in Puerto Rico are not automatically enrolled in Part B, but rather must affirmatively opt in.

Furthermore, we are advised that Island seniors are required to personally travel to a Social Security office before they can obtain Part B coverage, and that travel and waiting times can be extensive. This onerous administrative requirement might be understandable if individuals had an unlimited time period in which to enroll in Part B, but they do not. In Puerto Rico, as in all other U.S. jurisdictions, individuals who do not enroll in Part B during the seven-month Initial Enrollment Period (IEP) are subject to a late enrollment penalty. The penalty is steep—a 10% premium surcharge for each 12 months of delay in enrollment—and continues to apply for the entire time the individual is enrolled in Part B.

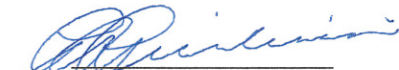
The evidence clearly demonstrates that the combination of the opt-in rule, the burdensome administrative requirements, and the severe penalties for late enrollment has harmed seniors in Puerto Rico. As The President's Task Force on Puerto Rico's Status recognized in its recently-issued report, Puerto Rico has the lowest Part B participation rate in the country—78%, compared to a national average of 94%. Seniors without Part B have limited access to doctors' services and outpatient hospital care. Moreover, we understand that a disproportionate number of Island beneficiaries who do ultimately enroll in Part B are paying the lifetime penalty because they signed up after the IEP, since many seniors do not realize they lack Part B coverage until they get sick.

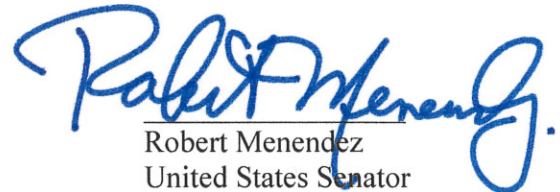
Congressman Pierluisi has introduced bipartisan legislation—H.R. 1357, *the Puerto Rico Medicare Part B Equity Act*—that would provide a comprehensive solution to this issue. However, as The President's Task Force expressly recognized, there are administrative steps that can be taken immediately—without the need for federal legislation—to mitigate this problem. We would like to work with you to identify and implement those specific actions that will be most fair and beneficial to the people of Puerto Rico, who pay the same Medicare taxes as their fellow citizens in the states. First, we urge you to use your authority to streamline the Part B enrollment process in Puerto Rico. In particular, we ask that you take a hard look at the administrative mandate that seniors personally visit an SSA office before being permitted to enroll in Part B, because this requirement strikes us as excessive and counterproductive. Second, we urge you to implement a plan to better educate Island beneficiaries about the benefits and costs of Part B, especially about the severe lifetime penalty that

is imposed for late enrollment. It is clear that too many seniors in Puerto Rico know nothing of this penalty until they are forced to pay it. Third, as The President's Task Force explicitly recommended, we urge you to explore ways to waive or otherwise reduce the late enrollment penalty, which disproportionately affects beneficiaries in Puerto Rico.

Given the importance of this issue, we respectfully request a meeting with officials from both of your agencies to discuss the discrete steps you intend to take on this matter.

Sincerely,


Pedro R. Pierluisi
Member of Congress


Robert Menendez
United States Senator


Charles E. Schumer
United States Senator

cc: Cecilia Muñoz, Co-chair, The President's Task Force on Puerto Rico's Status
Jaime Torres, Region 2 Director, U.S. Department of Health and Human Services
Beatrice M. Disman, Regional Commissioner, U.S. Social Security Administration
Iris A. Bermudez, Director, Puerto Rico Field Office, Centers for Medicare & Medicaid Services
Dr. Lorenzo González, Secretary, Puerto Rico Department of Health