

October 13, 2017

The Honorable Bob Casey
United States Senate
Washington, DC 20515

The Honorable Todd Young
United States Senate
Washington, DC 20515

Dear Senator Casey and Senator Young:

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 57 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. 1909).

The basic rules underpinning the Part B enrollment system were developed more than fifty years ago, when Medicare was first established. 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 and fills needless gaps in coverage.

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 whether 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 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% 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.1909 fills long-standing gaps in notice and education for those approaching Medicare eligibility and aligns and simplifies Part B enrollment periods. Taken together, these changes will help prevent costly enrollment slipups among the 10,000 people becoming Medicare eligible each day.

For people who are not auto-enrolled in Medicare, there is virtually no communication that provides education on when and how to enroll in Medicare or what may result from delayed enrollment. As a result, many of our organizations hear from older adults 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 prevent them from receiving urgently needed health care.

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

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

benefits, aligning the mailing of this Medicare notice with existing Social Security notices, where possible. Additionally, S. 1909 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.

Far too many people with Medicare are irreversibly harmed 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 the many millions of Americans who will soon come to rely on Medicare. We applaud your leadership on the BENES Act. Thank you.

Sincerely,

ACCSES

Aetna

AFL-CIO

AgeOptions

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 College of Clinical Pharmacy (ACCP)

American Federation of Government Employees (AFGE)

American Federation of State, County and Municipal Employees (AFSCME)

American Foundation for the Blind

American Society on Aging

Association of University Centers on Disabilities (AUCD)

B'nai B'rith International

Better Medicare Alliance

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.

Community Catalyst

Community Services Center of Greater Wmsbg.

Compassion & Choices

Connecticut Alliance for Retired Americans

Disability Rights Education and Defense Fund (DREDF)

Disabled In Action of Metro NY

Easterseals

Families USA

Family & Children Association, Senior Services HIICAP (Nassau County, NY)

Gerontological Society of America

Health & Disability Advocates
International Association for Indigenous Aging
Justice in Aging
Lakeshore Foundation
LeadingAge
Lutheran Services in America
MAXIMUS
Medicare Rights Center
Metro New York Health Care for All
National Academy of Elder Law Attorneys (NAELA)
National Active and Retired Federal Employees Association (NARFE)
National Adult Day Services Association (NADSA)
National Association for Home Care & Hospice
National Association of Area Agencies on Aging (n4a)
National Association of Health Underwriters
National Association of Nutrition and Aging Services Programs (NANASP)
National Association of Social Workers (NASW)
National Association of State Head Injury Administrators
National Association of State Long-Term Care Ombudsman Programs (NASOP)
National Coalition on Health Care (NCHC)
National Committee to Preserve Social Security and Medicare
National Consumer Voice for Quality Long-Term Care
National Consumers League
National Council on Aging
National Hispanic Council on Aging (NHCOA)
National Multiple Sclerosis Society
National Partnership for Women & Families
New Yorkers for Accessible Health Coverage
Service Employees International Union (SEIU)
Social Security Works
Southern Tier Independence Center (STIC)
The Arc of the United States
The Jewish Federations of North America
UAW Retiree Medical Benefits Trust
United Jewish Organizations of Williamsburg
Women's Institute for a Secure Retirement (WISER)

CC: The Honorable Orrin Hatch, Chairman, U.S. Senate Committee on Finance
The Honorable Ron Wyden, Ranking Member, U.S. Senate Committee on Finance