



Altmire targets Part D penalties

Democrat wants to get rid of added cost of late sign-up

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By Jerome L. Sherman, Pittsburgh Post-Gazette

WASHINGTON -- U.S. Rep. Jason Altmire has introduced a bill that would get rid of a late sign-up penalty for the federal government's new prescription drug program.

As of mid-January, almost 1.7 million Pennsylvanians had enrolled in Medicare Part D, which was launched at the beginning of 2006. The first sign-up deadline was in May, and a second deadline came at the end of the year.

Lorraine Ryan, a spokeswoman for the Centers for Medicare and Medicaid Services in Philadelphia, said the agency doesn't have figures for how many enrollees signed up after the first enrollment period and are now paying higher premiums.

But Mr. Altmire, a freshman Democrat from McCandless, said he has been hearing complaints about the penalty for months, both on the campaign trail last year and in recent tour through his district in the Pittsburgh suburbs. Many senior citizens spoke of their difficulties in choosing among at least 60 private plans participating in Part D before the deadline.

"A lot of them missed the deadline and are in the penalty phase. I hear from them," Mr. Altmire said. "Once you're in the penalty phase, your incentive is not to sign up."

Mr. Altmire introduced his bill this month with Rep. Steve Kagen, D-Wisc. He said House Democratic leaders have promised a vote on the bill, which appears to have widespread support among both members and watchdog groups.

"If the goal is to make sure that everybody who needs coverage gets it, then the late enrollment penalty is a barrier to achieving that goal," said Vicki Gottlich, a senior policy attorney for the Center for Medicare Advocacy. "We are definitely getting complaints from people who didn't understand the enrollment process."

Indeed, Part D's rollout last year sparked sharp criticism from some health policy experts and many confused senior citizens.

When the May 15 deadline passed, latecomers had to wait until Nov. 15 for a second enrollment period that ended Dec. 31. The late penalty is an approximately 1 percent increase in premium costs that accumulates for every month past the deadline.

Potential enrollees who are now turning 65 have a seven-month window to sign up for Part D -- three months before their birthday, the month of their birthday, and three months after their birthday.

"There's no limit to how high the penalty could be," said Fran Chervenak, managing

attorney for the Pittsburgh office of the Pennsylvania Health Law Project, "It's like any insurance. You want people to buy it now, not when they need it."

Some Medicare recipients are exempt from the penalty, including people who already have coverage at least as good as Part D and low-income recipients who qualify for federal subsidies to join the program.

"We worked very hard to make folks fully aware of the [penalty]," said Ms. Ryan, the CMS spokesperson. She said the agency would accept any Part D changes approved by Congress.

"Members of Congress have every right to propose legislation to alter it," she said.

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