



November 10, 2016

The Honorable Ron Wyden  
United States Senate  
Washington, DC 20510

The Honorable Frank Pallone, Jr.  
United States House of Representatives  
Washington, DC 20515

Dear Senator Wyden and Congressman Pallone:

On behalf of the Medicare Rights Center (Medicare Rights), I am writing to express strong support for the *Medicare Affordability and Enrollment Act of 2016* (S. 3371 and H.R. 6109). Medicare Rights is a national, nonprofit organization that works to ensure access to affordable health care for older adults and people with disabilities through counseling and advocacy, educational programs, and public policy initiatives. Our organization provides services and resources to over two million people with Medicare, family caregivers, and professionals annually.

S. 3371 and H.R. 6109 would protect older Americans and people with disabilities who rely on Medicare for high quality affordable health care. This legislation takes a great leap forward in modernizing our health system and improving the lives of millions. Capping beneficiaries' out-of-pocket expenses in Traditional Medicare, eliminating coverage gaps associated with Part B enrollment mistakes, reducing cost-sharing for low-income beneficiaries, increasing eligibility for income-dependent programs, and aligning and simplifying resource and enrollment rules are among the bill's many provisions to strengthen Medicare.

Catastrophic health expenses are a huge risk to Americans' financial security, and people with Medicare are particularly vulnerable. Half of all people with Medicare have annual incomes of \$24,150 or less.<sup>1</sup> Through our national helpline, we continue to find that sky-high cost-sharing can put necessary health care out of reach.

By capping out-of-pocket expenses in Traditional Medicare, trimming cost-sharing for those with low, fixed incomes, and extending income eligibility for premium and cost-sharing assistance, this legislation greatly increases the affordability of Medicare and enhances beneficiaries' financial security. Further, low-income beneficiaries would significantly benefit through much needed clarification and consolidation of rules around resources, eligibility, and enrollment for the Medicare Savings Programs and the Part D Low-Income Subsidy. These changes would streamline the administration of these programs and enhance their fairness.

Importantly, S. 3371 and H.R. 6109 also advance long overdue improvements to the Medicare enrollment process. At Medicare Rights, we know firsthand that enrolling in Medicare is not always easy, and with

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<sup>1</sup> Jacobson, G., Swoope, C., Neuman, T. and K. Smith, "Income and Assets of Medicare Beneficiaries, 2014 – 2030," (Kaiser Family Foundation: September 2015), available at: <http://kff.org/medicare/issue-brief/income-and-assets-of-medicare-beneficiaries-2014-2030/>

increasing frequency we find that numerous enrollment pitfalls trap innocent applicants. For instance, the newly eligible may face coverage gaps when they follow all instructions but enroll during the three months following their 65<sup>th</sup> birthday. People who delay enrollment based on misunderstandings about their coverage may also encounter months-long coverage gaps. By eliminating these and other gaps, this legislation prevents beneficiaries from going without necessary coverage or care.

Further, this legislation appropriately alleviates the excessive burden of the lifetime Medicare Part B late enrollment penalty (LEP). Drawing from the penalty rules under Medicare Part A, S. 3371 and H.R. 6109 limit the Part B LEP to only twice as long as an individual delayed Medicare enrollment. We believe this strikes an appropriate balance—leaving in place an incentive to encourage enrollment for those newly eligible without unduly burdening those who make honest mistakes.

For these reasons, we enthusiastically support S. 3371 and H.R. 6109. Thank you for your leadership on these important issues. We look forward to working with you to advance this bill and to otherwise strengthen Medicare for today's beneficiaries and for future generations.

If you have questions, please contact Stacy Sanders, Federal Policy Director, at [ssanders@medicarerights.org](mailto:ssanders@medicarerights.org) or 202-637-0961. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Baker". The signature is fluid and cursive, with a large loop at the end of the last name.

Joe Baker  
President  
Medicare Rights Center

CC: The Honorable Debbie Stabenow, U.S. Senate  
The Honorable Michael Bennet, U.S. Senate  
The Honorable Sherrod Brown, U.S. Senate  
The Honorable Bill Nelson, U.S. Senate  
The Honorable Sander Levin, U.S. House of Representatives  
The Honorable Gene Green, U.S. House of Representatives  
The Honorable Jim McDermott, U.S. House of Representatives