



Leadership Council of Aging Organizations

Barbara B. Kennelly, Chair

May 12, 2006

Via Fax

Dear Senator/Representative:

On Monday, May 15th, millions of seniors and people with disabilities face a deadline to enroll in the Part D benefit without penalty. Unfortunately, many are not aware of the deadline, yet will be subject to a lifetime penalty if they miss the deadline. While we appreciate the recent news from the Administration that those who qualify for the low-income subsidy may be exempt from the penalty, we believe all beneficiaries should be given the opportunity to enroll after May 15th without penalty.

About seven million beneficiaries have failed to sign up for a drug plan – almost half of the total number of beneficiaries who lacked drug coverage prior to the program's start in January. Those who miss the deadline will see their premiums increase one percent for each month they fail to enroll. For those who enroll after May 15th for coverage that begins January 1, 2007, the penalty will be seven percent.

A recent Kaiser Family Foundation poll had startling findings that suggest the May 15th deadline will leave too many Medicare beneficiaries locked out of the benefit until later this year and locked into a penalty for the rest of their lives:

- Almost one half reported not having enough information to understand how the benefit would impact them personally;
- Almost one half thought it was somewhat or very difficult to choose a drug plan; and,
- Among the seniors who may still enroll -- those either unsure of whether they're going to enroll or say they will sign up but haven't done so yet -- about half don't know about the deadline or the penalty for late enrollment.

With more than forty stand-alone prescription drug plans from which to choose in most parts of the country and additional options through the Medicare Advantage program, it would be difficult for many to make the decision to enroll even if information was complete, clear, accurate and understandable. Sadly, that is not the case.

A report last week from the Government Accountability Office said Medicare faced a “tremendous challenge” in developing and circulating educational materials about the new program and did so in a short time frame. Information was unclear or difficult to understand and failed to comply with “about half of the 60 commonly recognized standards for good communications.” Among test calls to the Medicare help line, 67 percent were answered completely and accurately; the rest were answered incompletely, inaccurately or with inappropriate answers.

Given this lack of understanding of the benefit, the deadline or the implications of enrolling late, we, the undersigned members of the Leadership Council of Aging Organizations, strongly recommend allowing seniors and people with disabilities to enroll past the May 15th deadline without incurring a lifetime penalty.

Copy: Administrator Mark McClellan

Respectfully yours,

AFL-CIO
AFSCME
Alliance for Retired Americans
American Association for International Aging
American Federation of Teachers
American Public Health Association
American Society of Consultant Pharmacists
American Society on Aging
B'nai B'rith International
Catholic Health Association of the United States
Families USA
Gray Panthers
National Academy of Elder Law Attorneys
National Association of Nutrition and Aging Services Programs
National Association of Professional Geriatric Care Managers
National Association of Retired and Senior Volunteer Program Directors, Inc.
National Association of Senior Companion Project Directors
National Association of State Long-Term Care Ombudsman Programs
National Association of State Units on Aging
National Caucus and Center on Black Aged, Inc.
National Citizens' Coalition for Nursing Home Reform
National Committee to Preserve Social Security and Medicare
National Osteoporosis Foundation
National Senior Citizens Law Center
OWL, The Voice of Midlife and Older Women
Service Employees International Union
United Jewish Communities