

# Nancy Johnson



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Fifth District, Connecticut

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**FOR IMMEDIATE RELEASE**

May 18, 2006

**Contact:** Brian Schubert

(202) 225-4476

## **AARP Endorses Johnson Bill Waiving Medicare Late Fee**

### ***Bipartisan Bill Introduced In U.S. House with 26 Cosponsors***

WASHINGTON, DC – AARP, the nation’s largest seniors organization, has endorsed Congresswoman Nancy Johnson’s bill waiving the Medicare drug plan’s late enrollment fee for this year. Johnson, Chairman of the House Ways and Means Health Subcommittee, introduced the “Medicare Fairness Act” yesterday and it has 26 bipartisan cosponsors.

Similar legislation was introduced in the Senate this week, and Johnson has been working with Sen. Charles Grassley to move this important bill through Congress as quickly as possible.

“Today more than 38 million American seniors have drug coverage thanks to the Medicare drug benefit,” Johnson said. “Seniors are saving an average of \$1,100 a year, getting protection from high drug costs and priceless peace of mind. I’m pleased AARP and its 35 million members have endorsed this bill to allow seniors who missed the May 15 deadline to enroll later without penalty. I look forward to working with my colleagues in the House and Senate to pass this important legislation into law.”

“Ninety percent of seniors now have coverage, and even more seniors would be enrolled today if opponents of the Medicare benefit had worked as hard to sign up seniors as they did to scare them. Seniors should not have to pay for the shameful attacks against the bill. Those who relentlessly attacked this important benefit over the past year can redeem themselves by using the next six months to educate seniors and prepare them for enrollment in November.”

Johnson’s bill will waive the monthly premium increase – a policy taken directly from the original Medicare program – for seniors who missed the May 15 deadline and sign up for drug coverage during the next enrollment window. Medicare stabilization funds will be used to finance the waiver.

Johnson’s bill is supported by 26 bipartisan cosponsors: U.S. Reps. Clay Shaw (R-FL), William Lacy Clay (D-MO), Tom Davis (R-VA), Jim Ramstad (R-MN), Phil English (R-PA), Mike Ferguson (R-NJ), Christopher Shays (R-CT), Rob Simmons (R-CT), Patrick Tiberi (R-OH), Mark Foley (R-FL), Mike Castle (R-DE), John Sweeney (R-NY), Sue Kelly (R-NY), Fred Upton (R-MI), Mark Kirk (R-IL), Charles Bass (R-NH), Sherwood Boehlert (R-NY), Charlie Dent (R-PA), Don Sherwood (R-PA), Jim Leach (R-IA), Jo Ann Davis (R-VA), Jim Gerlach (R-PA), Dennis Rehberg (R-MT), Joe Schwarz (R-MI), Jon Porter (R-NV), and Michael Bilirakis (R-FL).

# Text of AARP Endorsement Letter to U.S. Rep. Nancy Johnson

May 17, 2006

The Honorable Nancy Johnson  
Chair  
House Ways and Means Health Subcommittee  
1136 Longworth House Office Building  
Washington, D.C. 20510

Dear Chairwoman Johnson:

AARP supports your bill to lift the late enrollment penalty that will be assessed on those Medicare beneficiaries who fail to enroll in the Medicare Part D benefit this year.

We strongly support the Medicare prescription drug benefit, which provides much needed help to millions of Medicare beneficiaries, particularly low-income beneficiaries and those with high drug costs. In the first few months of implementation of this new benefit, we have heard countless stories from our members who have benefited from the program. We've been pleased to see that millions of Medicare beneficiaries have taken advantage of this new, valuable benefit.

Since the enactment of the Medicare Modernization Act of 2003, we have undertaken a major education and outreach campaign to explain the new Medicare prescription drug coverage to our members and the public at large. We have produced educational materials, utilized our existing publications, worked with State Health Insurance Program (SHIP) and Area Agency on Aging (AAA) offices, and provided support to organizations that offer one-on-one counseling sessions and enrollment assistance.

However, despite our best efforts – and those of many others – there are millions of Medicare beneficiaries without creditable coverage who have yet to enroll in the Medicare prescription drug benefit. Under the current law, these individuals will face a permanent penalty of one percent for each month they failed to enroll in the Medicare prescription drug benefit.

We agree that late enrollment penalties are necessary in some circumstances. However, imposing a penalty on Medicare beneficiaries who failed to enroll in the Medicare prescription drug benefit during the initial enrollment period of a new program would be unfair. As with any new program, lack of awareness and confusion is to be expected. Medicare beneficiaries should not have imposed upon them a lifetime penalty as a result. Moreover, we believe that removing the permanent late enrollment penalty this year will encourage Medicare beneficiaries to enroll in the program at the next opportunity.

We would like to work with you to ensure that the final legislation that passes the House also includes additional funding for state health insurance counseling programs to ensure even greater outreach to lower-income beneficiaries.

We look forward to working with you and your colleagues on both sides of the aisle to ensure a successful future for the Medicare prescription drug benefit. If you have any further questions, please contact me, or have your staff contact Anna Schwamlein of our Federal Affairs Department at (202) 434-3770.

Sincerely,

A handwritten signature in black ink that reads "William D. Novelli". The signature is written in a cursive, flowing style.

William D. Novelli  
Chief Executive Officer