

**March 14, 2006**

**SCHAKOWSKY, HOUSE DEMOCRATS SEND LETTER CALLING ON BUSH TO EXTEND  
MEDICARE DRUG BENEFIT ENROLLMENT DEADLINE**

**CMS HAS MISSED ITS TARGETS; MILLIONS OF BENEFICIARIES REMAIN WITHOUT A  
PLAN AS DEADLINE APPROACHES**

**WASHINGTON, DC -- U.S. Representative Jan Schakowsky today joined members of the House Democratic Leadership in sending a letter to President Bush calling on him to extend the enrollment deadline for the Medicare drug benefit. As the May 15th deadline approaches, the latest CMS numbers show that 40% of beneficiaries have yet to choose a plan. Representatives Schakowsky and Pete Stark (D-CA) are original sponsors of the Medicare Informed Choice Act, which would extend the enrollment deadline by six months. Representative Schakowsky is also an original sponsor of the Medicare Prescription Drug Savings and Choice Act, which would fix the drug benefit by providing a uniform plan that allows Medicare to negotiate with the drug companies to keep prices down.**

**The text of the letter to President Bush is below:**

**The President  
The White House Office  
1600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20500**

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**Dear Mr. President:□**

**□**

**As you know, participation in the new prescription drug program is lagging well below projections.□ Millions of beneficiaries are overwhelmed with plan choices and understandably confused by the fluctuating prices and formularies. Speculation that an untold number of plans may not participate next year is likely adding to the uncertainty. Yet beneficiaries who do not sign up for Part D by May 15, 2006, will pay permanently higher premiums for coverage if they ultimately enroll later.□ Given our shared goal of ensuring that senior citizens and people with disabilities are appropriately enrolled in Part D, we request that you direct Secretary Leavitt to extend the enrollment deadline**

through the end of the year, and eliminate the financial penalty during this period.□

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A plain reading of the statute appears to enable the Secretary to extend the initial enrollment period, declare a special enrollment period or otherwise use his authority to delay the deadline and subsequent penalty. (See Attachment A.)□

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The penalty, which is based on the average national premium and set at one percent per month for each month that a beneficiary is not enrolled in Part D after the initial enrollment period, is applied in perpetuity. This surcharge is added to the regular premium for the specific plan in which the beneficiary enrolls. The program is structured such that those who miss the May 15 deadline, but enroll at the next possible opportunity for coverage starting in January 2007, will face a seven percent surcharge.□ Those who have not signed up by December 31, 2006, will be locked out for all of 2007 and will subsequently face a 19 percent surcharge should they enroll for 2008.□ Because the penalty is based on the national average, the actual premium increase could be substantially higher for beneficiaries who later enroll in less expensive plans. (See Attachment B.)□□□

While the deadline was designed to force participation and minimize selection issues, we are concerned that it could have the opposite effect.□ If people whose needs are minimal forego coverage this year, they may never enroll and the risk pools will be permanently, negatively affected.□ CBO has estimated that an additional 1.1 million beneficiaries would sign up during this year if the penalty were eliminated.□ In addition, they calculate that eliminating the penalty for this year would ultimately lower premiums for 10 million beneficiaries.□ Already, there are predictions that premiums will rise substantially next year as the number of plans decreases.□ Premiums will rise even more if healthier beneficiaries stay on the sidelines.□

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Both Democrats and Republicans have introduced legislation to delay the May 15 deadline and corresponding penalty.□ Such legislation is supported by a number of organizations, including the National Committee to Preserve Social Security and Medicare, TREA Senior Citizens League, Alliance for Retired Americans, American Nurses Association, Center for Medicare Advocacy, Consumers Union, Families USA, and Medicare Rights Center.□ Given that the Republican leadership has not scheduled any hearings, mark ups or other legislative activity on this matter, we urge you to take action.

Time is of the essence.□ Beneficiaries should not be permanently penalized should they be unable or unwilling to enter this confusing, complicated new program by May 15.□ We encourage you to announce your intention to delay both the enrollment deadline and corresponding penalty as soon as possible.□ However, if you believe that the Secretary does not have the authority to make these changes, we ask that you or he notify Congress immediately and work with us on a bipartisan basis to enact these important improvements in a timely manner.

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Sincerely,

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**Nancy Pelosi**□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□ □□□□  
**Minority Leader**□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□ □□□□  
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**Steny Hoyer**  
**Democratic Whip**

**James E. Clyburn**□□□□□□□□□□□□□□□□□□□□□□□□□□ □□□□  
**Chairman, Democratic Caucus**□□□□□□□□□□□□□□□□ □□□□□□□□□□□□  
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**John B. Larson**□□□□□□□□□□  
**Vice Chairman, Democratic Caucus**

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**John D. Dingell**□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□ □□□□  
**Ranking Member**□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□ □□□□  
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**Committee on Energy and Commerce**

**Charles B. Rangel**□  
**Ranking Member**□□□□□  
**Committee on Ways and Means**

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**Pete Stark**□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□ □□□□  
**Ranking Member, Subcommittee on Health**□□□□□□□□□□□□□□□□ □□□□  
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**Sherrod Brown**  
**Ranking Member, Subcommittee on Health**  
**Committee on Energy and Commerce**

**Jan Schakowsky**  
**Chief Deputy Democratic Whip**  
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**Henry A. Waxman**  
**Ranking Member**□□□□□  
**Committee on Government Reform**□□□□□□□□□□

**Stephanie Herseth  
Member of Congress**

**cc: Secretary of Health and Human Services Mike Leavitt**