January 22, 2021

The Honorable Katie Porter
House of Representatives
1117 Longworth House Office Building
Washington, DC 20515

The Honorable Jaime Herrera Beutler
House of Representatives
2352 Rayburn House Office Building
Washington, DC 20515

Dear Representative Porter and Representative Herrera Beutler:

AARP, on behalf of our nearly 38 million members and all older Americans nationwide, thanks you for introducing the Medicare Economic Security Solutions Act. We are pleased to support your legislation, as it would significantly reduce the costly Part B late-enrollment penalty many Medicare beneficiaries face. It will also count COBRA, Veterans Administration, and retiree coverage as creditable coverage for special enrollment periods to help reduce confusion and ease the transition into Medicare.

MedPAC estimates that roughly 800,000 Medicare beneficiaries pay late-enrollment penalties added to their Part B premiums, and many do so unwittingly. Estimates suggest that 20 percent of people paying the Part B penalty were unaware of the penalty when they turned age 65 and became eligible for Medicare. While originally intended to discourage people from waiting until they needed care before enrolling in Medicare, the current penalty puts a financial burden on beneficiaries for the rest of their lives, often at a period in their life when they can least afford it. By limiting the amount of the penalty and its duration, your bill will make Medicare coverage more affordable for many older Americans.

Again, we appreciate your bipartisan efforts and commitment to reduce costs and help Medicare beneficiaries. If you have any questions, please feel free to contact me or have your staff contact Andrew Scholnick on our Government Affairs team at ascholnick@aarp.org.

Sincerely,

Bill Sweeney
Senior Vice President
Government Affairs