



## **Stop Unnecessary Medicare Penalties for Older Americans Cosponsor the Medicare Economic Security Solutions Act**

Led by Reps. Katie Porter and Jaime Herrera Beutler

**Original Cosponsors:** Lauren Underwood, Eleanor Holmes Norton, Julia Brownley, Raul Grijalva, Alcee Hastings, Barbara Lee, Doris Matsui, Chris Pappas, Jenniffer González-Colón, Christopher Smith, Sheila Jackson Lee, Madeleine Dean, Nanette Diaz Barragán, Vicente Gonzalez, Brian Fitzpatrick, Ted Deutch, Joe Neguse, Brendan Boyle, Jackie Speier, Peter Welch, Elaine Luria, Chellie Pingree, Jimmy Panetta, Tim Ryan, Young Kim, John Larson

**Supporting Organizations:** Medicare Rights Center, National Committee to Preserve Social Security and Medicare, Social Security Works, AARP

An individual is automatically enrolled in Medicare Part B if they are already receiving Social Security benefits when they reach Medicare eligibility. However, today people are working longer and deferring their benefits. Many of these individuals are unaware that this requires them to make an active Medicare enrollment choice. If enrollment mistakes are made, seniors often face late enrollment penalties and gaps in coverage.

Medicare's initial enrollment period begins at age 65, after which an individual has three months to enroll. If an individual waits to enroll, they are subject to a late enrollment penalty equal to 10% of the standard Part B premium for every year of delay. Older Americans pay this penalty for the rest of their lives. More than 700,000 Medicare enrollees currently pay this penalty. For many, this means an average of a 30% increase in their monthly premiums.

**The Medicare Economic Security Solutions Act fixes two confusing and complicated policies for late Medicare enrollment that increase seniors' healthcare costs. Specifically, the legislation:**

1. Caps the Part B Late Enrollment Penalty at 15% of the monthly premium and restricts the length of time it can be levied to twice the period of delayed enrollment. This will reduce the financial impact on seniors,
2. Lifts penalties for COBRA and VA enrollees who delay Medicare coverage. Under current rules, those who delay enrolling because they have employer coverage do not incur a Part B penalty, but beneficiaries who leave their jobs and maintain their insurance through COBRA and VA are penalized. The bill allows those enrollees to avoid a Part B premium late enrollment penalty.

**Together, these commonsense fixes will reduce healthcare costs for seniors and improve their access to care.**

For additional information, please reach out to Jessica Seigel in Rep. Porter's office:  
[Jessica.Seigel@mail.house.gov](mailto:Jessica.Seigel@mail.house.gov) / ext. 5611.