

H.R. 2477, Beneficiary Enrollment Notification and Eligibility Simplification Act of 2020

As ordered reported by the House Committee on Energy and Commerce on July 15, 2020

By Fiscal Year, Millions of Dollars	2021	2021-2025	2021-2030
Direct Spending (Outlays)	0	131	447
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	131	447
Spending Subject to Appropriation (Outlays)	0	0	0
Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	< \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

Bill Summary

H.R.2477 would change enrollment procedures for some Medicare beneficiaries who enroll in the program during the initial enrollment period (when they first become eligible to enroll in Medicare) or during the annual general enrollment period. The bill also would give the Secretary authority to create special enrollment periods in exceptional circumstances beginning in 2023.

Estimated Federal Cost

The estimated budgetary effect of H.R. 2477 is shown in Table 1. The costs of the legislation fall within budget function 570 (Medicare).



**Table 1.
Estimated Budgetary Effects of H.R. 2477**

	By Fiscal Year, Millions of Dollars										2021- 2025	2021- 2030
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
	Increases or Decreases (-) in Direct Spending											
Estimated Budget Authority	0	0	28	48	55	58	60	63	66	69	131	447
Estimated Outlays	0	0	28	48	55	58	60	63	66	69	131	447

Basis of Estimate

The Medicare program has three principal components: Part A (Hospital Insurance), Part B (Medical Insurance, which covers doctors’ services, outpatient care, and other medical services), and Part D (which covers outpatient prescription drugs). Most Medicare beneficiaries enroll in the program soon after they become eligible, typically at age 65. Individuals who are eligible for Medicare when they turn 65 can first enroll in the program during a seven-month initial enrollment period beginning three months before the month in which they turn 65 and ending three months after that month. Individuals who enroll in the fifth, sixth, or seventh month of that period must wait one or two additional months before their Medicare coverage begins. Some individuals choose to delay or forego enrollment in Medicare Part B by not enrolling during their initial enrollment period. If those individuals elect to enroll in Part B after their initial enrollment period has ended, they may do so during the general enrollment period, which runs from January through March of each year. Individuals who choose this option must wait until July 1st of that year for their Part B coverage to begin.

H.R. 2477 would eliminate the waiting period for both groups of enrollees beginning in 2023 so that Medicare coverage begins in the month following the month in which the individual is eligible for and enrolls in the program. This change would accelerate when Medicare begins paying for services for beneficiaries who enroll in the program during the final three months of the initial enrollment period (when a beneficiary first becomes eligible to enroll in Medicare) or during the general enrollment period. CBO used historical enrollment data to estimate how many Medicare beneficiaries would gain coverage sooner under the changes to the initial enrollment period and general enrollment period. CBO estimates that about 2 percent of new 65-year-old enrollees would receive Medicare benefits sooner than under current law. CBO estimates that those provisions would increase direct spending by \$447 million over the 2021-2030 period.



The bill also would allow individuals who chose to delay or forego enrollment in Medicare Part B to enroll earlier than the start of the next general enrollment period in some cases where, for instance, the Secretary of HHS determines that the individuals reside in an area with an emergency or disaster. Due to significant uncertainty about the likelihood and duration of such determinations by the Secretary, CBO did not estimate the budgetary effects of any new special enrollment periods allowed under H.R. 2477.

The CBO staff contact for this estimate is Stuart Hammond. The estimate was reviewed by Leo Lex, Deputy Director of Budget Analysis.