

AARP ACTIONS & INACTION OF CONCERN TO SENIORS

Recent Healthcare Policy Proposals (President Joe Biden and House Speaker Nancy Pelosi)

- AARP, along with the major health insurers industry association, [largely supported](#) the drug pricing provisions in [House Speaker Nancy Pelosi's healthcare plan](#) despite concerns that it will lead to fewer new medicines being [discovered](#) and potentially lead to [Medicare patient access restrictions](#) to certain medicines.
- While the purported aim of both Pelosi's plan and [elements of President Biden's Build Back Better proposal](#) are to "lower drug prices", AARP [supported](#) them without any guarantees that:
 - All "savings" would be applied to individual Medicare participants' prescription drug costs
 - Any "savings" derived from the legislation could not be redirected to unrelated spending programs
 - Health insurers and pharmacy benefit managers (PBMs) could not gain new financial advantages as a result of the policies
 - Seniors and patients would not lose access to certain medicines they and their doctors choose to prescribe

Medicare Drug Rebate Reform Proposals

- Despite [polling](#) that shows over 85% of seniors (1000 LVs 65+) support passing drug price discounts on to consumers directly at the pharmacy counter, AARP has consistently [opposed rebate reform proposals](#).
- AARP instead [supports](#) trickle-down policies such as [Nancy Pelosi's H.R. 3](#) and [elements of President Biden's Build Back Better proposal](#) positioning government as price negotiator and distributor of any revenues from new [price setting schemes in Medicare](#) – without any assurances funds would go directly to patients.
- Curiously, AARP joined the major health insurance and pharmacy benefit manager (PBM) industries in [opposing rebate reform](#) efforts while numerous [patient](#) and [disease-focused organizations](#) supported them.
- It's worth noting that Medicare Part D enrollment is [concentrated in five large health insurance corporations](#), including AARP's financial partner UnitedHealth, totaling a [combined 74% of total enrollment](#).
- In tandem, the four biggest Pharmacy Benefit Managers (PBMs) and their parent companies – CVS Health, Cigna/Express Scripts, UnitedHealth/OptumRx and Humana Pharmacy Solutions Group—[processed roughly 85%](#) of all equivalent prescriptions in 2020 alone, and any alteration to rebate usage would be impactful.

Surprise Medical Bill Legislation Controversy

- While Congress passed the "No Surprises Act" with bipartisan support to address surprise medical bills, policymakers from both sides of the aisle subsequently [expressed frustration](#) about the law's potential implementation, alleging rules issued regarding its implementation violated Congressional intent, [favor health insurers](#), force small health providers to close and potentially harm underserved patients.
- 152 Democrat and Republican Members of Congress [wrote](#) to members of the Biden Administration that the interim final rule "could incentivize insurance companies to set artificially low payment rates, which would narrow provider networks and jeopardize patient access to care – the exact opposite of the goal of the law. It could also have a broad impact on reimbursement for in-network services, which could exacerbate existing health disparities and patient access issues in rural and urban underserved communities."
- Despite hundreds of [medical and physician groups](#) calling for the Biden Administration to revise the final rules, AARP seemingly took no position while the [health insurance industry association](#), and AARP's financial partner [UnitedHealth Group](#) specifically, urged the payment determinations in question be implemented as written.

Medigap Pre-Existing Conditions Reforms

- AARP notes on its own [website](#) that “If you don’t get the policy within a certain time frame, insurers in most states can reject you or charge more because of preexisting conditions”, but says nothing about why the organization has not lobbied at federal levels to prohibit such treatment.
- While AARP has talked about the need [eliminate all pre-existing exclusions](#) for several years, with the exception of [four "Medigap Haven" states](#), seniors throughout the U.S. can still be denied Medigap policies during certain periods based on conditions such as cancer, heart disease, asthma and numerous others. [Critics allege](#) this includes UHG’s highly lucrative AARP-branded Medigap policies.
- AARP’s executive leadership supported the Affordable Care Act in which Medigap plans were [curiously exempted](#) in the final draft from rate reviews and more restrictive mandates on the percentage of premiums that must go towards actual medical claims.
- One would assume that on behalf of its 38 million members, and future ones, that AARP would be leading a fight to make all 50 states “haven states” and eliminate all pre-existing clauses from Medigap policies, but there has been little visible movement towards this end.

Step Therapy

- AARP has been noticeably absent from the large contingent of both [physician](#) and [patient and disease advocacy groups](#) calling for reinstatement of step therapy prohibitions in Medicare Advantage plans.
- Meanwhile, AARP’s financial partner UnitedHealth has been a [vocal advocate](#) for greater use of step therapy, often referred to as “fail first” by critics, in Medicare, [clashing](#) with organization’s such as the [American Medical Association](#) (AMA) which sees it as a catalyst for prolonged denials and red tape for patients in need.
- While AARP has remained seemingly silent on related [federal](#) and [state](#) debates, grassroots organizations from Families USA to the American Cancer Society Cancer Action Network have taken more patient-focused positions against step therapy, [including](#) that “cancer patients should not be forced to ‘fail first’ on a drug that is known not to work for them before they are allowed to take the recommended treatment.”

AARP & The Company They Keep

- AARP’s highly profitable corporate financial partners, UnitedHealth and OptumRx, have been the subject of numerous allegations of overcharging Medicare and other government health programs, or other questionable practices. (illustrative examples below). Yet, AARP appears to have been largely silent on the allegations.
 - [WSJ: Most of \\$9.2 Billion in Questionable Medicare Payments Went to 20 Insurers, Investigators Say](#)
 - [NYT: UnitedHealth Overbilled Medicare by Billions, U.S. Says in Suit](#)
 - [Reuters: U.S. can sue UnitedHealth in \\$1 billion Medicare case, judge rules](#)
 - [WSJ: States Probe Business Practices of Pharmacy Benefit Managers](#)
 - [Columbus Dispatch \(Ohio\): Ohio Attorney General Dave Yost says email shows OptumRx was overcharging the state – and knew it](#)
- Despite such allegations and investigations, and the potential impact they may have had on seniors, AARP appears to have been largely silent on these issues. Meanwhile, AARP and UHG have continued to benefit from their financial partnership with [UHG](#) and [AARP](#)’s revenues significantly rising in tandem over the last several years.

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