COMMITMENT to SENIORS

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AMERICAN COMMITMENT SPECIAL REPORT

How AARP's Profits Harm Patients —And Violate Its Principles

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Earlier this year, a bombshell report indicated that the Department of Justice had begun an antitrust investigation into UnitedHealth Group, the nation's largest health insurer, examining whether and how UnitedHealth's "sprawling network of doctor groups" is "potentially squeezing rival physicians out of certain types of attractive payment arrangements."[1] The investigation came as another UnitedHealth affiliate, Change Health, suffered a ransomware attack that caused chaos throughout the health care system for weeks.[2]

The developments raise obvious questions about how Obamacare encouraged companies like UnitedHealth to buy up physician practices, resulting in a health care landscape that has become increasingly dominated by near-monopolies.[3] But it also raises questions about one of UnitedHealth's longtime partners. Specifically, why would an organization that claims to advocate on behalf of seniors wish to partner with an insurance company also under investigation for its Medicare billing practices?[4]

That organization—AARP, formerly known as the American Association of Retired Persons—has far outgrown its roots as a small organization founded by a retired teacher. Over the years, AARP has grown into a marketing behemoth with a public policy advocacy group on the side. And AARP's prime source of tax-free revenue from that marketing operation comes from its relationship with UnitedHealth.

As it has grown and become more reliant on marketing income, AARP has faced accusations regarding its questionable business practices from numerous quarters: Federal officials, who suggested a business arrangement AARP proposed but never implemented could violate federal criminal statutes, the editorial board of the New York Times, and former AARP employees themselves.[5] Even before the announcement of an antitrust investigation into UnitedHealth, AARP in 2021 began a marketing arrangement with a chain of medical clinics called Oak Street Health—weeks before the company revealed "it was the subject of a Justice Department civil investigation into its marketing tactics," including potential violations of the federal False Claims Act.[6]

But AARP's prime source of revenue for decades has come through its relationship with UnitedHealth. The organization embeds "royalty fees" within the premiums of those who purchase Medicare supplemental policies, called Medigap insurance, effectively overcharging seniors to fund AARP's operations. AARP's revenue from these royalty fees, including those from UnitedHealth, which licenses AARP-branded Medigap and Medicare Advantage coverage, has grown every year for more than two decades straight. Since 2007, the organization has received an estimated $9 billion tax-free in revenue from UnitedHealth.

Those UnitedHealth billions compromise AARP's policy stances in many ways. In 2022, the organization endorsed Democratic legislation—the inaccurately named Inflation Reduction Act—that will redirect more than $250 billion from Medicare into green-energy pork and other progressive projects, including an expansion of Obamacare subsidies to big insurance companies like UnitedHealth.[7]

Taking money from Medicare to pay for other programs will harm seniors, but sadly such facts are inconvenient truths for an organization rife with financial conflicts of interest. In 2022, as with Obamacare in 2010, the Inflation Reduction Act used Medicare as a piggy bank to benefit the bottom line of AARP's insurance businesses, along with those of its partner, UnitedHealth.[8] In total, Congress has diverted close to $1 trillion from Medicare through both Obamacare and the IRA to fund spending not related to seniors—actions that AARP's leadership wholeheartedly supported, even though its members did not.

The record shows not just that AARP holds serious conflicts of interest, but that AARP's financial conflicts have prompted the organization to abandon its principles on numerous occasions, pursuing financial gain for itself and its partners over the organization's stated mission and policy objectives—and its members. As an analyst at the Committee for a Responsible Federal Budget noted, "It's hard to know whether they're advocating for their business interests or for the seniors that they are supposed to represent."[9]

The fact that many of AARP's own members are troubled by the organization's conduct should give Congress justification to follow up on its own prior investigations by further exploring the unsavory alliance between AARP and UnitedHealth.

A Doubly Harmful Bill

The AARP-endorsed Inflation Reduction Act contains two sets of policies that will harm seniors. First, by empowering the federal government to "negotiate" the prices of prescription drugs, the new law will reduce innovation and new drug discoveries. The Congressional Budget Office estimated that the "negotiation" provisions—in which federal bureaucrats will effectively dictate drug prices, and impose a tax of up to 1,900% on companies that do not comply—will result in numerous new drugs not becoming available over the coming decades.[10]

However, other experts believe that government price setting under the guise of "negotiation" will lead to a much greater reduction in the number of new therapies and cures than even CBO estimates. A November 2021 analysis of an earlier version of the legislation found that its drug pricing provisions would lead to a substantial decline in research and development activity, leading to 135 fewer new drugs being created.[11]

These therapies represent potential cures for cancer, Alzheimer's, and other rare diseases not becoming available to seniors, because government bureaucrats interfered with the innovation process. In fact, the "negotiation" provisions could result in the loss of 331.5 million life-years—a much larger loss than that due to the COVID-19 pandemic—as the lack of new therapies means that patients die earlier than they would have done in a pro-innovation environment.[12]

The harmful effects of the Inflation Reduction Act began not long after President Biden signed the price control legislation into law.[13] In the time since, a steady stream of companies have announced changes to or reductions in their research and development projects. For instance, in the fall of 2023 the biotechnology company Seagen announced it had cancelled research into another application of its successful bladder cancer therapy because "there will be no economic return from doing it."[14]

A Health Affairs blog post analyzed some of the ways in which the "negotiation" provisions will hinder drug research and development.[15] For instance:

- Rather than seeking FDA approval for several indications (such as several different cancer types) sequentially, companies could wait to submit approval for multiple indications at once, to maximize their returns before government "negotiation" kicks in—resulting in delays for products getting on the market.
- Companies could decline to submit approval applications for additional indications of existing drugs, because such approvals could make it more likely that a pharmaceutical would get selected for "negotiation."[16]
- Companies will hesitate to engage in long-term studies of therapies, or studies that examine ultimate outcomes (e.g., long-run survival data, as opposed to shorter studies examining intermediate outcomes like tumor shrinkage), because doing so would not make financial sense.

In the past year, as the Biden Administration has begun implementing the law, several pharmaceutical companies have sued to block the "negotiation" provisions from taking effect, claiming the law violates the First, Fifth, and Eighth Amendments. But apart from the sizable constitutional concerns regarding the measure, the Inflation Reduction Act also represents ill-advised policy—one that will result in fewer innovative therapies.

Raiding Medicare to Fund Other Programs

As much harm as the drug "negotiation" provisions will cause, the savings generated from these price controls pose an added injury to seniors. According to the Congressional Budget Office, the Inflation Reduction Act reduces Medicare spending by a net of $254.8 billion—that is, more than a quarter-trillion dollars—over the coming decade.[17]

Where will those savings go? Not towards saving the Medicare program, and making it solvent for future generations. Instead, lawmakers redirected those Medicare dollars toward myriad other leftist causes. For instance, the Medicare savings will fund additional spending on Internal Revenue Service operations—including the hiring of nearly 87,000 IRS employees, according to one Treasury Department document—along with spending on various other green energy projects.[18]

In using Medicare dollars to fund other programs, the Inflation Reduction Act resembles Obamacare. That legislation reduced Medicare spending by $716 billion over the law's first decade—again, not to make Medicare solvent, but to fund new entitlements for younger Americans and other spending within the federal government.[19]

Unfortunately, leftist politicians have a history of using Medicare as a slush fund to finance their big-spending proposals elsewhere within government.[20] That trend began with Obamacare, and continued with the Inflation Reduction Act.

Combined, Obamacare and the IRA siphoned off nearly $1 trillion from Medicare, channeling it away from seniors' health care and towards unrelated spending.

Just as unfortunate, AARP has a history of supporting these legislative proposals that raid Medicare. In 2010, the organization endorsed Obamacare, despite loud opposition from many of its senior citizen members.[21] Perhaps not coincidentally, Obamacare also happened to exempt Medigap supplemental insurance—a prime source of AARP's revenue, as explained below—from virtually all of the law's new insurance regulations.[22]

Likewise, AARP had ulterior motives when it endorsed the Inflation Reduction Act. The law's provisions lowering drug prices through price controls masquerading as "negotiation" will benefit both AARP and UnitedHealth Group, its insurer partner. Moreover, the approximately $64 billion cost of extending enhanced Obamacare subsidies for three years—paid for, as noted above, via the raid on Medicare—will benefit UnitedHealth's business selling coverage on insurance Exchanges.[23]

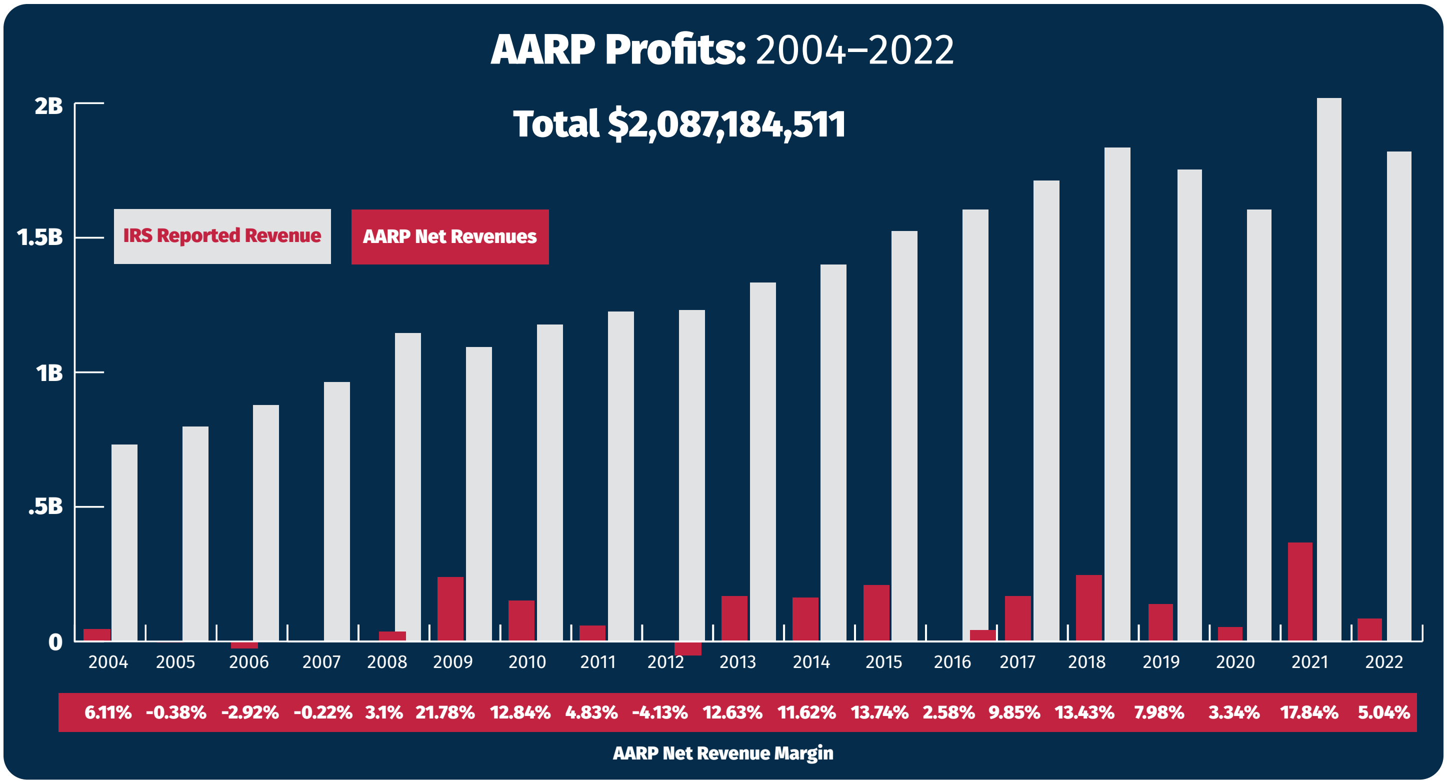
Seniors Disapprove of IRA's Effects

While some senior citizens may still think of AARP has an advocacy organization, they increasingly question why the organization takes policy positions at odds with the interests and beliefs of its members. A survey conducted for American Commitment revealed sizable unease with the policy positions included in the Inflation Reduction Act.

In the April 2023 survey of Americans aged 55 and over, large majorities of individuals expressed concern about Congress diverting Medicare funds to pay "for tax breaks for things like electric vehicles, solar panels, and subsidies paid to large insurance companies."[24] More than five in six older Americans (84.3%) said that Congress "should not divert Medicare revenues...to pay for spending programs unrelated to Medicare."[25]

In that same survey, large majorities (84.5%) expressed concern that reports of companies cutting research efforts could reduce access to breakthrough therapies and treatments.[26] And after hearing about the Inflation Reduction Act, a large majority (88.4%) of older Americans said that AARP should not have supported the measure.[27]

That AARP attempts to ignore its sizable policy disagreements with the majority of older Americans it purports to represent, and the conflicts of interest presented by its insurer partner and likely largest source of income, does not mean they do not exist. Instead, it should prompt Congress to investigate and expose the financial conflicts that lie at the heart of this supposed seniors' advocacy organization.



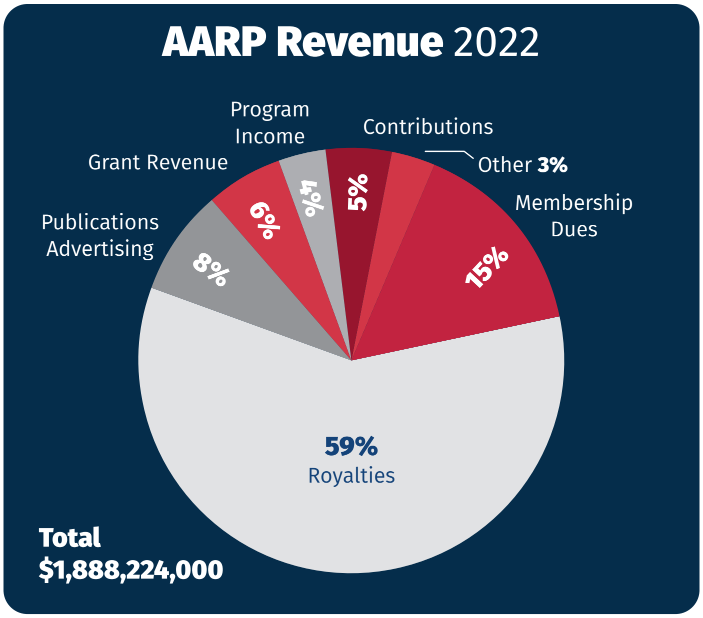
A Profitable "Non-Profit"

Despite the organization's status as a non-profit entity organized under Section 501(c)(4) of the Internal Revenue Code, AARP has found its business very enriching indeed. According to its most recent Form 990 filed with the Internal Revenue Service, in 2022 the organization reported net income—that is, revenues in excess of expenses—of $91,318,865, on total revenues of just over $1.8 billion.[28]

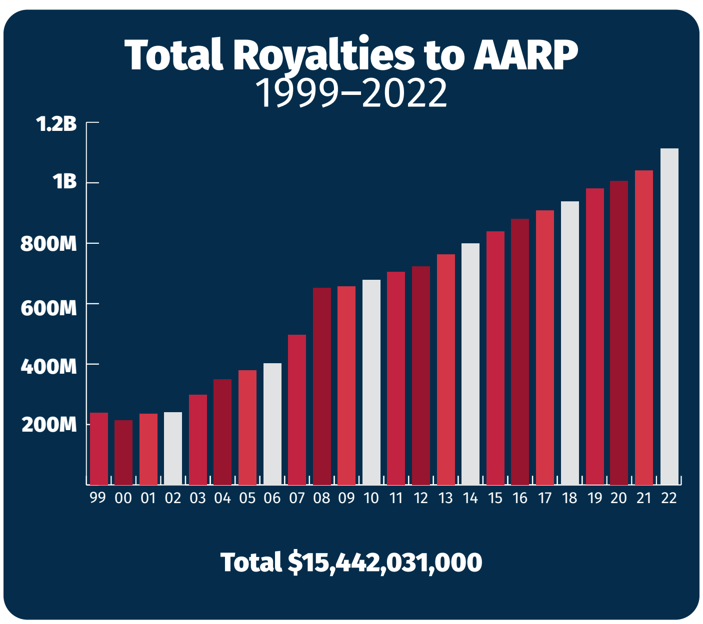
This sizable net income represents the continuation of a trend regarding AARP's fortunes. After hiring Barry Rand as CEO in early 2009, AARP converted a string of modest annual results into a series of large financial gains. Under Rand and Jo Ann Jenkins, who succeeded him in 2014, AARP has achieved a total of nearly $2.1 billion in net profits since 2009, notching financial gains in all but one of those 14 years.[29] Moreover, its net revenue margin since 2009 has averaged nearly 10%, far more than the average profit margin of some industries.[30] For instance, of six health insurers listed in the 2021 Fortune 500, none had a profit margin exceeding 5.99%.[31]

A Marketing Behemoth

For all the revenue AARP receives from membership dues—about $291 million in 2022, according to its most recent consolidated financial statements—the organization receives nearly four times that amount selling AARP-branded goods and services to its members.[32] In fact, the organization's "royalty fees"—which the organization claims constitute payments for the use of its logo, brand, and intellectual property—represent almost 60% of AARP's total annual revenues.[33] In 2022, AARP received over $1.1 billion in such revenue from the sale and marketing of products to members, double the revenues generated by membership dues, grant revenue, and contributions **combined.**[34]



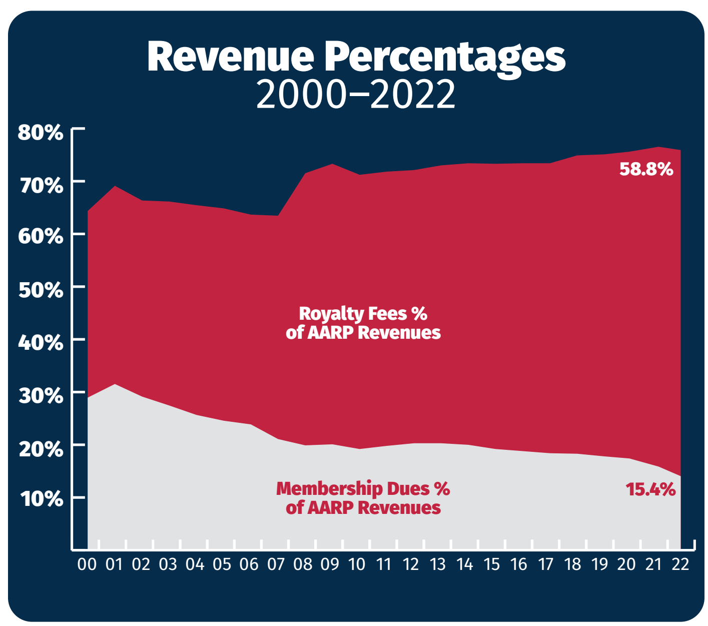
While other organizations' revenues fluctuate from year to year, the revenue AARP has generated from selling products to its members has increased every single year for 22 years straight. Since 2000, the company's business proceeds have increased over sixfold, from $178.3 million in 2000 to over $1.1 billion in 2022.[35] In total, over the past 24 years, AARP has made over $15.4 billion selling products to its members.[36]



As AARP has expanded its marketing empire, fees from membership dues have grown at a much slower pace. While dues collections have risen over the past two decades, from $141.1 million in 1999 to $291 million in 2022, since 2014 they have remained largely flat.[37] In some years, revenue from membership dues has declined year-on-year—a contrast to the organization's marketing arm, where revenues have increased every single year since 2000.[38]

The most recent financial statements typify the general trend. In 2022, even as membership dues declined by over $5 million, royalty revenues grew by over $47 million, to yet another all-time record.[39]

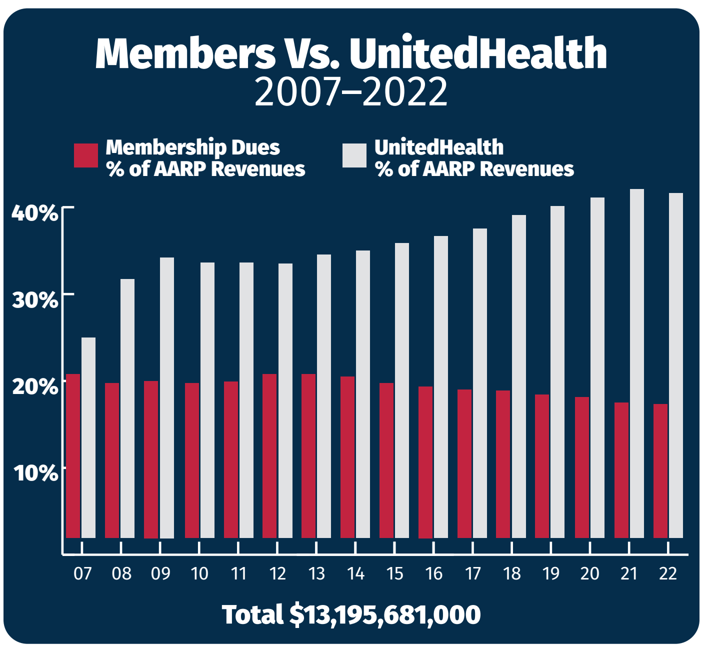
The result of the two trends—membership dues growing slowly if at all, and royalty fees growing exponentially—has made AARP much more reliant on marketing income as a share of its overall revenues. Since 2000, membership dues have nearly halved as a percentage of AARP's total operating revenues, from 28.9% to 15.4% in 2022.[40] Meanwhile, marketing income has grown from 35.6% of operating revenues to 58.8%, meaning AARP gets nearly four times more of its budget from selling other products to members than it does from membership dues themselves.[41]



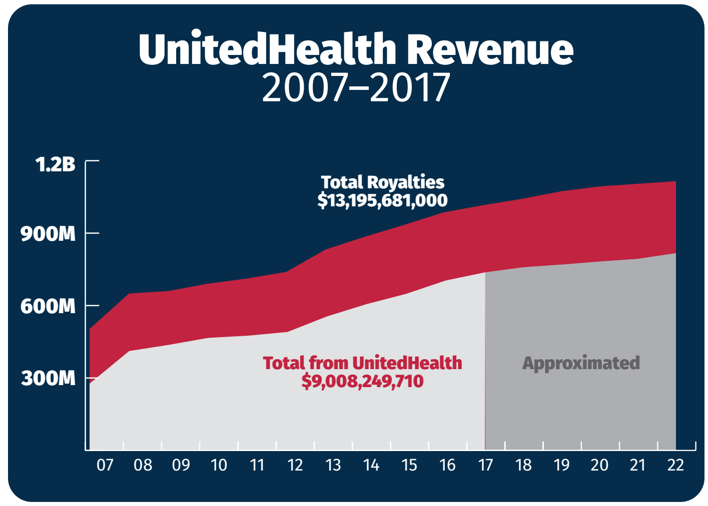
Health Insurance Business Dominates

As AARP's sales and marketing revenue has skyrocketed overall, the percentage of that revenue coming from UnitedHealth has also grown. In 2007, revenue from UnitedHealth represented 57% of AARP's marketing income, or $283.7 million.[42] By 2017, both numbers had grown substantially: Income from UnitedHealth comprised 69% of AARP's marketing revenue and had risen to a whopping $627.2 million—more than double the amount of just a decade previously.[43]

As income from UnitedHealth Group grew, so too did its share of AARP's operating revenues. As of 2017, income from the sale of insurance products through UnitedHealth exceeded income from membership dues by almost twofold.[44] While member dues comprised only 18.3% of the organization's total revenue in 2017, UnitedHealth revenue constituted 38.2% of AARP's revenues.[45]



AARP's relationship with UnitedHealth has drawn growing scrutiny from Congress and other policymakers. From 2008 through 2017, AARP's consolidated financial statements disclosed the percentage of marketing revenue coming from UnitedHealth. One could therefore easily calculate the exact amount of revenue AARP received from UnitedHealth, by multiplying total marketing revenues by the percentage of those revenues coming from UnitedHealth. In total, from 2007 through 2017, AARP received more than $5.3 billion tax free from UnitedHealth Group.[46]



However, beginning in 2018, AARP's consolidated financial statements failed to disclose the exact percentage of its marketing revenue coming from UnitedHealth.[47] Therefore, one can no longer calculate the precise amount of income AARP receives from UnitedHealth. We do know that AARP's marketing revenue has grown every single year since 2000, and that the percentage of overall marketing revenue coming from UnitedHealth stayed the same or increased every year from 2007 to 2017.[48]

Because AARP decided to stop disclosing the percentage of "royalty" revenue received from UnitedHealth Group to its members or the public—quite possibly due to increased public scrutiny over its relationship with UnitedHealth—we can no longer calculate the amount precisely.[49] However, AARP added a section to its financial statements regarding revenue recognition, which includes an additional discussion of royalties.[50] Because the 2018 statements include data for the prior year period, and because AARP did provide information on its revenue from UnitedHealth in its 2017 statements, we can approximate its UnitedHealth revenue for 2018 and subsequent years.

In its 2018 financial statements, AARP claimed that $649.2 million of royalty revenue in 2017 came from "health products and services."[51] In its 2017 statements, AARP noted that a total of $627.2 million in royalty revenue—or 96.6% of the "health products and services" royalties—came from UnitedHealth.[52] If UnitedHealth accounted for a similar 96.6% share of the $680.3 million in "health products and services" revenue in subsequent years, that would mean AARP received a total of about $657.2 million in revenue from UnitedHealth in 2018.[53] Likewise, if UnitedHealth accounted for a 96.6% share of the $861.6 million in "health products and services" revenue AARP reported in 2022, that would mean the organization received about $832 million from UnitedHealth.[54] Revenue in this range would mean AARP received an estimated $9 billion in "royalty" income from UnitedHealth since 2007.[55]

While these numbers serve as mere approximations, they do so only because AARP decided to stop disclosing to the public exactly how much money it received from UnitedHealth Group. AARP's actions reflect a lack of transparency on its part, and potentially a desire to mask its financial dependence on UnitedHealth.

In 2019, AARP issued a position statement calling on state governments to "enact laws that promote transparency" and "require pharmaceutical companies to justify high launch prices and price hikes."[56] Yet AARP continues to act in a non-transparent manner regarding the windfall "royalty" revenue it takes in from selling Medicare insurance policies, and specifically its relationship with UnitedHealth.

Making Money on Seniors' Money

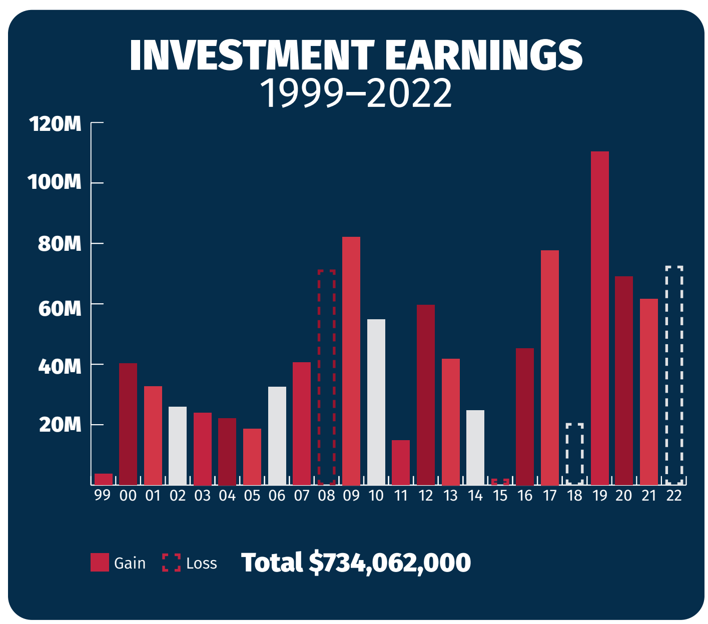
AARP not only makes money from UnitedHealth Group—and its members—directly, it also does so indirectly as well. The organization has established a grantor trust, through which it funnels payments for insurance policies issued by UnitedHealth and other insurers, including MetLife, Genworth, Genworth and Aetna. As its financial statements explain:

> ***The [AARP Insurance] Plan, a grantor trust, holds group policies, and maintains depository accounts to initially collect insurance premiums received from participating members. In accordance with the agreements referred to above, collections are remitted to third-party insurance carriers within contractually specified periods of time, net of the contractual royalty payments that are due to AARP, Inc., which are reported as royalties in the accompanying consolidated statements of activities.***[57]

In plain English, this language means that members pay premiums—including the "royalty fee" UnitedHealth pays to AARP—via the trust, and the AARP trust then pays the premium to UnitedHealth, after taking out its own "royalty fees."

But in the process, AARP invests the funds from the day they receive the payments from seniors until the "contractually specified" time during which they transfer the payments to UnitedHealth Group and other insurers. Investing seniors' premium payments for a short period might seem insignificant. However, given the massive sums involved—the grantor trust processed a total of $11.9 billion in payments from AARP members in 2022—the investment gains quickly add up.[58]

Over the past 24 years, AARP has made over $734 million investing seniors' premium payments via its grantor trust.[59] In only four years—during the market crash in 2008, in 2015, in 2018, and again during last year's rapid rise in interest rates—did AARP lose money in its investments made via the grantor trust.[60] On average, however, the organization made $30.6 million per year via these investments—much, but not all, of which came from premium payments made by members for UnitedHealth Group insurance.[61]



Extravagant Compensation & Benefits

In 2022, AARP paid its CEO, Jo Ann Jenkins, nearly $1.6 million in salary, benefits, and other compensation.[62] The payout continued a long-standing tradition of the organization spending large sums on executive compensation. In 2006, AARP paid its then-CEO, Bill Novelli, over $2 million in compensation—this in a year when AARP suffered a nearly $26 million shortfall.[63] And when Novelli's successor, Barry Rand, retired on September 1, 2014, he received over $1.7 million in total compensation—after working for only eight months out of the year.[64]

But the high compensation levels do not stop with AARP's CEO. Of a total of 14 other AARP officers, key employees, and highly compensated staff listed on the organization's 2022 Form 990 filed with the Internal Revenue Service, all received more than $500,000 in total compensation.[65] These figures only include the salaries and compensation for key executives for which the IRS requires disclosure. By definition, it does not include other AARP executives, or executives of the AARP Foundation, a separate legal entity with its own salaried officers and staff.

According to its IRS filing, in 2022 over 62% (1,321) of AARP's total employees (2,114) received reportable compensation from the organization in excess of $100,000.[66] Dividing the organization's total spending on employee compensation in 2022 ($386,079,023) by its number of employees (2,114) reveals that AARP employees received an **average** of $182,629.62 in salaries, benefits and other compensation.[67] Believe it or not, this astronomical per-employee compensation actually represents a reduction from 2021 levels, when the average AARP worker received $189,132 in salary and other compensation.[68]

By comparison, in 2022 the average senior citizen received $1,657 in monthly Social Security benefits.[69] That $19,884 total annual benefit represents only about one-tenth the total compensation provided to the average AARP employee. To put it another way, in 2022 AARP paid over $95 million more in compensation to its employees than the organization itself received in dues from its members—thus illustrating how AARP employees are personally dependent on "royalty fees" from companies like UnitedHealth to fund their salaries.[70]

Furthermore, AARP officials have admitted that the organization's overall revenue totals—including "royalty fees" obtained by selling seniors AARP-branded products—impact the compensation decisions of its senior executives. As one anonymous staffer told the Washington Post, "Revenues are very important. You have to make your numbers."[71] AARP's own Form 990 admits as much, stating that "gross revenue"—of which "royalty fees" comprise the largest share—constitutes one of the metrics "considered in employee compensation."[72] With its executives receiving an average of over $140,000 in "bonus and incentive compensation" in 2022, AARP's top leaders have strong financial incentives to keep the "royalty fee" cash from UnitedHealth flowing, or otherwise their paychecks could take a sizable hit.[73]

Medigap: The AARP Cash Cow

As noted above, AARP has received a stunning amount of revenue—an estimated $9 billion—from UnitedHealth Group since 2007. However, the organization does not delineate how much of said revenue comes from each of the three types of plans UnitedHealth sells: Medicare Advantage plans, Medicare Part D prescription drug coverage, and Medigap supplemental coverage. A 2011 report by the House Ways and Means Committee found that AARP brands held dominant market shares in all three categories.[74]

However, among the three forms of coverage, AARP receives a flat annual "royalty fee" from UnitedHealth covering the sale of its AARP-branded Part D and Medicare Advantage plans, regardless of the plans' enrollment. Conversely, for Medigap coverage, AARP receives a "royalty fee" from UnitedHealth equal to 4.95% of premium revenues paid.[75]

This percentage-based "royalty fee" gives AARP a strong financial incentive to aggressively market, sell, and renew as many Medigap policies as possible—and the most expensive policies at that—because AARP receives nearly five cents for every additional premium dollar its members pay to UnitedHealth. Perhaps as a result, some of AARP's own members have considered these revenues not so much "royalty fees" as "kickbacks."[76]

That 4.95% "royalty fee" represents a sizable share of premium dollars paid. To put the figure into perspective, it exceeds the 2021 profit margins of five publicly held health insurers (Elevance Health, then known as Anthem, Centene, Humana, Molina, and Triple-S Management), and approaches the profit margin of the other (UnitedHealth Group).[77]

More to the point, AARP's "royalty" margins come even though the organization **bears no financial risk.** The organization often notes that it is "not an insurance company"—a very true statement.[78] Insurers like UnitedHealth and Humana must take on financial risk, and can lose money in down markets or under turbulent circumstances. For instance, insurers lost an estimated $2.7 billion selling individual insurance policies in 2014, the first year of Obamacare's Exchanges, and even more in the year following.[79] By contrast, however, AARP bears no risk, such that **it cannot lose**—all it has to do is sign up individuals and watch the cash roll in.

To give some sense of the questionable propriety of AARP's current arrangements with UnitedHealth, in 1997 the group abruptly abandoned its plans for a percentage-based "royalty fee" for selling Medicare managed care plans (the precursor to Medicare Advantage).[80] At the time,

government officials believed the arrangement potentially violated the Anti-Kickback Statute, which imposes criminal penalties for anyone who gives a "thing of value" in exchange for referrals of individuals to federal health programs.[81] The then-head of the agency that runs Medicare, Bruce Vladeck, also reportedly thought the arrangement could cause AARP to "lose its credibility as an advocate for its members if it endorses HMOs [Health Maintenance Organizations] and receives a financial reward."[82]

Even though potential concerns that the arrangement violated a criminal statute led AARP to abandon its plans for percentage-based "royalties" to sell Medicare Advantage coverage, the organization has retained that approach when selling Medigap coverage—and has profited handsomely from it. Publicly available information suggests that much of AARP's revenue from UnitedHealth comes via the sale of Medigap plans.

According to UnitedHealth's annual filing with the Securities and Exchange Commission, in 2022 the insurer enrolled 4,375,000 individuals in AARP-branded Medicare supplemental (i.e., Medigap) plans.[83] Data from an online broker indicate that seniors purchasing Medigap policies for the 2022 plan year paid an average premium of $178 per month, or $2,136 per year.[84] Based on an average Medigap premium of $2,136 annually, UnitedHealth received about $9.3 billion in total Medigap premiums from its members in 2022. AARP's 4.95% share of that sum would total roughly $463 million.

Again, these numbers represent approximations, because AARP does not disclose the amount of money it receives from selling various health insurance policies—and since 2018, does not disclose the exact sum it receives from UnitedHealth at all. But it strongly suggests that the majority of the approximately $800 million it receives from UnitedHealth in "royalty fees" comes from the sale of Medigap plans. It also suggests that AARP made far more money selling Medigap insurance to its members than the $291 million it received last year in membership dues.[85]

AARP Members Oppose Its Conduct

The survey conducted for American Commitment last spring sampled a subset of AARP members. Based on the responses to that survey, AARP members informed about the organization's controversial business practices appear none too pleased with its conduct.

While more than five in six (84.7%) of AARP members said they had a favorable view of the organization, a slightly higher percentage (85.2%) described themselves as concerned by the financial relationship between AARP and UnitedHealth.[86] More than three times as many AARP members (75.5%) said that the "royalty fee" arrangement "creates a conflict of interest that could impact AARP's ability to represent the interest of their members" than disagreed about the potential for a conflict (24.4%).[87]

A sizable majority of AARP members (63.2%) thought that AARP's 4.95% surcharge added to every Medigap premium dollar constituted "an unnecessary 'junk fee.'"[88] And, as with older Americans as a whole, overwhelming numbers of AARP members (87.6%) believe that the organization should have opposed diverting Medicare revenues to fund "unrelated spending and tax breaks."[89]

In short, a near-majority of AARP members (48.1%) said that learning the facts about the organization's position on the Inflation Reduction Act, and its relationship with UnitedHealth, made them "less likely to trust AARP acting in the best interest of older Americans."[90] This position may explain AARP's lack of full transparency with its members about its policy positions and its lucrative business relationships—but by no means does it excuse it.

A Compromised Organization

The sordid history of AARP's dealings in Washington—the legally questionable way it has conducted its business to obtain billions of dollars in profits, and its decades-long history of supporting legislation that raids the Medicare program to fund other leftist priorities—demonstrate how its revenue sources have compromised the integrity of its policy positions.

As one observer noted during the debate on Obamacare: "Either you're a voice for the elderly or you're an insurance company—choose one."[91] Sadly, AARP has largely chosen the latter course of action, becoming reliant on UnitedHealth for a significant share of its revenue, even as it tries to portray itself as the former.

As Bruce Vladeck, who reportedly expressed concerns about its business practices while running Medicare in the 1990s, noted in a 2022 article, AARP "is in the insurance business….There ought to be accountability and visibility about it."[92] Congress has investigated AARP and its financial dealings on more than one occasion. It should do so again, and determine whether any legislative and/or regulatory actions—requiring AARP to disclose its financial conflicts to seniors when they apply for Medigap coverage, for instance—can protect AARP's members from the organization's unholy alliance with UnitedHealth Group.

Mr. Jacobs is Founder and CEO of Juniper Research Group, a consulting firm based in Washington. He is on X: @chrisjacobsHC.

This study was commissioned by American Commitment as part of its Commitment to Seniors Initiative. The study was conducted by Juniper Research Group, a leading consulting and analytics firm based in Washington, DC.

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