

# COMMITMENT<sup>✓</sup>to SENIORS

June 12, 2024

The Honorable Jodey Arrington, Chairman  
House Budget Committee  
204 Cannon House Office Building  
Washington, D.C. 20515

The Honorable Brendan Boyle, Ranking Member  
House Budget Committee  
204 Cannon House Office Building  
Washington, D.C. 20515

Dear Chairman Arrington and Ranking Member Boyle:

We appreciate the Budget Committee's focus on the critical issue of Medicare and Social Security solvency. Given your committee's upcoming hearing: "[Medicare and Social Security: Examining Solvency and Impacts to the Federal Budget](#)," I am writing to you today to discuss the Inflation Reduction Act's (IRA) threat to Medicare—and the motivations behind the AARP's continued support of a broken bill that has done more harm than good for seniors.

[Commitment to Seniors](#), an [American Commitment](#) initiative, was established to shed light on AARP's financial conflicts. AARP takes over \$1 billion annually via corporate royalties—three times more than what it earns in membership dues—the vast majority of which is from UnitedHealth, America's largest health insurance company.

While the partisan, AARP-backed IRA passed on a party-line vote allegedly to improve healthcare affordability and accessibility, in reality, the IRA is a major threat to Medicare. If the upcoming hearing seeks to examine Medicare solvency, a good place to start would be in addressing how the IRA diverted over [\\$280 billion away from Medicare](#) prescription drug spending to pay for unrelated spending, including subsidies for climate initiatives like electric vehicles and supersized Obamacare tax credits paid directly to health insurance companies.

Social Security, an additional topic of your hearing, is another example of the AARP's hypocrisy. AARP has held dozens of events for seniors with Members of Congress and with the commissioner of the Social Security Administration. Unfortunately, these meetings seem to be staged political events. AARP has yet to publish any policy recommendations to address its stated concerns.

Last year, Commitment to Seniors released a [national survey](#) conducted by McLaughlin & Associates among 800 likely voters 55 and older. The findings highlight seniors' deep skepticism and disappointment toward the IRA and its impact on healthcare access and affordability.

Key results of the [survey include](#):

- 77% of older Americans view the IRA as a failure one year after the passage of the legislation.
- 83% believe the IRA has not directly helped them personally in lowering the impact of inflation, consumer costs, or prescription drug prices.
- 73% believe the IRA turned out to be something different than supporters said it would be. Those surveyed highlighted that politicians prioritized climate spending and green energy tax breaks over measures to lower consumer prices and healthcare costs.

- 86% believe any Medicare drug savings should be applied toward reducing Medicare drug costs instead of diverting funds toward unrelated spending.

AARP spent over \$60 million in advertisements and grassroots campaigns supporting a bill that raided hundreds of billions from Medicare to pay for unrelated spending. But while seniors lose out with the IRA, AARP's financial patron, giant insurer-pharmacy benefit manager (PBM), UnitedHealth Group, received billions in subsidies. [AARP's own research](#) shows insurer-imposed premiums, copays, and deductibles are seniors' biggest healthcare cost concerns, but the organization's priorities instead align with its financial benefactor.

We inform you of all of this because we fear meaningful progress on entitlement reform will remain elusive if AARP can continue misrepresenting the interests of seniors to further its own interests.

Sincerely,

Phil Kerpen  
President, American Commitment