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July 20, 2017

Dear Senator:

Older Americans care deeply about access to and affordability of health care. They need and deserve affordable premiums, lower out of pocket costs, and coverage they can count on as they age. The repeal and delay amendment to H.R. 1628 fails to achieve these goals. In fact, under this proposal, millions of Americans would lose their health coverage, premiums and out of pocket costs, particularly for 50-64 year olds buying their own insurance, would skyrocket, the Medicaid coverage for millions of Americans would be at risk and the fiscal sustainability of Medicare would be weakened. In total, 32 million Americans would lose insurance coverage.

Accordingly, AARP, on behalf of our 38 million members, strongly opposes the repeal and delay amendment. AARP also remains steadfastly opposed to the American Health Care Act (AHCA) and the Better Care Reconciliation Act (BCRA) due to the devastating impact the legislation would have on Americans 50 and older. We urge all Senators to vote NO on the Motion to Proceed, as well as reject the repeal and delay amendment and the BCRA. We further urge you to work together to develop bipartisan health care legislation that ensures robust insurance market protections, lowers costs, improves quality, stabilizes markets and provides access to affordable coverage for all Americans. AARP stands ready to assist in any way we can to craft such legislation.

As our members expect from AARP, we will monitor each Senator's vote on the Motion to Proceed, and on votes to pass the repeal and delay amendment, and the BCRA. We will notify them and other older Americans by reporting those votes in our publications, online, through the media, and in direct alerts to our members.

### **Costs in the Individual Market will Skyrocket**

Currently, about 25 million Americans age 50-64 have a pre-existing condition, about 6.1 million purchase insurance in the non-group market, and nearly 3.2 million are currently eligible to receive subsidies for health insurance coverage through either the federal health benefits exchange or a state-based exchange (exchange). Since passage of the Affordable Care Act (ACA), the number of 50-64 year old Americans who are uninsured has dropped by half. We are deeply concerned that the repeal and delay amendment would be a significant

step backwards and result in millions of Americans, including older Americans, unable to afford their health care coverage or simply becoming uninsured.

The repeal and delay amendment, which would repeal the ACA without a replacement, will destabilize the individual insurance market and threaten the ability of Americans to secure quality, affordable health insurance coverage. In their analysis of the bill, the Congressional Budget Office (CBO) and the Joint Committee on Taxation (JCT) found that “the number of people who are uninsured would increase by 17 million in 2018...and then to 32 million in 2026.”<sup>1</sup> Premiums for those desiring coverage in the individual market would skyrocket. CBO states “average premiums...would increase by roughly 25 percent,” and that “the increase would reach about 50 percent in 2020, and premiums would about double by 2026.”<sup>2</sup> Furthermore, repealing the ACA without a comprehensive replacement would be particularly devastating for Americans with pre-existing conditions. Forty-percent of Americans between the ages of 50-64 have a deniable pre-existing condition. Without the premium tax credits available under the law, someone with diabetes or asthma risks losing the health care that they need and depend on.

The repeal and delay amendment would not only increase costs and cause millions of Americans to lose their health coverage, it would also create significant uncertainty in the individual health insurance market. CBO found that consumers purchasing health care in this market would have fewer health plan options, if any at all. Specifically, CBO estimates that “...about half of the nation’s population lives in areas having no insurer participating...that share would continue to increase, extending to about three-quarters of the population by 2026.”

### **Cuts to Medicaid Will Put Older Americans and People with Disabilities at Risk**

The repeal and delay amendment would cut \$842 billion from the Medicaid program and result in 19 million individuals losing their Medicaid coverage. We are deeply concerned that these cuts will endanger the health, safety and care of millions of individuals who depend on the essential services provided through Medicaid. In addition, these cuts will be an overwhelming cost shift to states, taxpayers, and families.

We are also strongly opposed to the amendment’s repeal of the six percent enhanced federal Medicaid match for states that take up the Community First Choice (CFC) Option. CFC provides states with a financial incentive to offer home and community-based services (HCBS) to help older adults and people with disabilities live in their homes and communities where they want to be. About 90 percent of older adults want to remain in their own homes and communities for as long as possible.<sup>3</sup> HCBS are also cost effective. On average, in Medicaid, the cost of HCBS per person is one-third the cost of institutional care.<sup>4</sup> Taking

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<sup>1</sup> <https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/52939-hr1628amendment.pdf>

<sup>2</sup> Ibid.

<sup>3</sup> Nicholas Farber and Jana Lynott. Aging in Place: A State Survey of Liability Policies and Practices (Washington, DC, AARP Public Policy Institute and the National Conference of State Legislatures, December, 2011)

<sup>4</sup> Terence Ng, Charlene Harrington, MaryBeth Musumeci, and Erica L. Reaves, "Medicaid Home and Community-Based Services Programs: 2011 Data Update" (HCBS) and 2013 Medicare and Medicaid Statistical

away the enhanced match could disrupt services for older adults and people with disabilities in the states that are already providing services under CFC and would result in a loss of \$19 billion for HCBS over ten years, per CBO.

### **Cuts to Medicare Funding Will Weaken its Ability to Pay Future Benefits**

Our members strongly believe that Medicare must be protected and strengthened for today's seniors and future generations. We strongly oppose any changes to current law that could result in cuts to benefits, increased costs, or reduced coverage for older Americans. The additional 0.9 percent payroll tax on higher-income workers has strengthened Medicare's financial outlook. The repeal of this provision would remove more than \$100 billion from the Medicare program which would hasten the insolvency of Medicare and diminish Medicare's ability to pay for services in the future.<sup>5</sup>

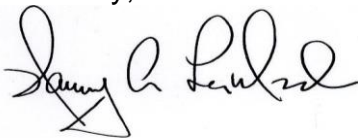
### **Failure to Address High Prescription Drug Costs**

Older Americans use prescription drugs more than any other segment of the U.S. population and are eager to see Washington work on solutions to address high and growing prescription drug prices. Rather than work to reduce the burden of high prescription drug costs on consumers and taxpayers, the repeal bill would eliminate the fee on manufacturers and importers of branded prescription drugs. This repeal removes billions of dollars from the Medicare Part B trust fund and would result in higher Medicare Part B premiums.

### **Conclusion**

AARP stands ready to work with you on bipartisan solutions that protect and strengthen the health care that millions of Americans depend on. The repeal and delay amendment is not the answer. We strongly urge you to vote NO on the Motion to Proceed, to reject the repeal and replace amendment and the BCRA. If you have any questions, please feel free to contact me, or have your staff contact Joyce A. Rogers, Senior Vice President, Government Affairs at (202) 434-3750.

Sincerely,



Nancy A. LeMond  
Executive Vice President and  
Chief Advocacy and Engagement Officer

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Supplement (Nursing Homes). Available at: <http://dataexplorer.aarp.org/indicator/31/medicaid-Itss-spending-per-user#/bar?primarygrp=dist18&secondgrp=loc&dist18=102,103,104,105,106,107,108&loc=1&tf=12&fmt=132?>

<sup>5</sup> Brookings Institute, "Paying for an ACA Replacement Becomes Near Impossible if the Law's Tax Increases are Repealed." December 19, 2016. Available at: <https://www.brookings.edu/blog/up-front/2016/12/19/paying-for-an-aca-replacement-becomes-near-impossible-if-the-laws-tax-increases-are-repealed>