



March 14, 2018

The Honorable Mitch McConnell
United States Senate
S-230, U.S. Capitol
Washington, DC 20510

The Honorable Charles E. Schumer
United States Senate
S-221, U.S. Capitol
Washington, DC 20510

The Honorable Paul D. Ryan
U.S. House of Representatives
H-232, U.S. Capitol
Washington, DC 20515

The Honorable Nancy Pelosi
U.S. House of Representatives
H-204, U.S. Capitol
Washington, DC 20515

Dear Leader McConnell, Leader Schumer, Speaker Ryan, and Leader Pelosi:

On behalf of nearly 38 million members in all 50 States and the District of Columbia, Puerto Rico, and U.S. Virgin Islands, I am writing to express our views on the FY2018 omnibus appropriations bill currently under debate. AARP is a nonpartisan, nonprofit, nationwide organization that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as healthcare, employment and income security, retirement planning, affordable utilities and protection from financial abuse.

AARP urges Congress to:

- Protect the important headway recently made to address rising prescription drug costs, and oppose any efforts to roll back the progress made that would increase these costs for beneficiaries.
- Take action to strengthen the Affordable Care Act (ACA) marketplaces and protect affordability and coverage for millions of Americans, including the six million 50-64 year olds that get their coverage through these marketplaces.
- Finally, AARP respectfully urges Congress to provide additional support for programs important for older Americans.

Prescription Drugs

AARP supports the important Part D donut hole reforms that were included in the recently enacted Bipartisan Budget Act of 2018. This includes closing the donut hole one year earlier and providing beneficiaries with a higher discount on their prescription drugs when in the coverage gap. The higher discount will enable beneficiaries to move more quickly through the donut hole and help to lower their out-of-pocket costs. AARP

opposes efforts that would roll back this progress and shift costs back onto beneficiaries. In addition, we support the inclusion of the bipartisan CREATES Act (S.974/ H.R.2212), which would help to lower prescription drug costs by encouraging the timely entry of generic drugs to the market.

The rising cost of prescription drugs is a key priority for Americans, including older Americans. Those age 65 and older use prescription drugs more than any other segment of the U.S. population, typically on a chronic basis. However, older Americans continue to struggle to afford the drugs they need, and the cost of prescription drugs continues to rise. In 2015, the average price of brand-name drugs widely used by older Americans increased by 15.5%¹. AARP continues to support reforms that will lower drug prices and provide relief to older Americans struggling to afford needed medications.

The Affordable Care Act (ACA)

AARP also urges Congress to take common sense steps to secure the ACA's individual markets and make coverage more accessible and affordable for all, especially older Americans. We support inclusion of reinsurance funding, which is an important risk mitigation mechanism that ensures more affordable premiums for all market participants. In addition, we support the inclusion of cost-sharing reduction (CSR) funding, which provides help for low-income consumers in the marketplace to lower their out-of-pocket costs.

Should Congress also include language on the expansion of 1332 waivers, we urge that states be required to maintain the ACA's core consumer protections: prohibition on discrimination for preexisting conditions, a 3:1 age rating band, and the requirement that health insurance plans cover a basic set of health benefits (known as the essential health benefits). While we support efforts to ease the administrative burden of states applying for 1332 waivers, we oppose expanding 1332 waivers in a manner that would erode consumer protections.

Finally, we encourage Congress to use this opportunity to act against the expansion of short-term duration health plans. A recent Administration proposal would greatly expand the availability of these short-term plans that, under current Federal law, are not required to adhere to any of the ACA's consumer protection standards, including a 3:1 age rating band. Expanding access to these plans will destabilize the individual market, increase costs particularly for older Americans, lead to consumer confusion over their health insurance options and once again allow insurance companies to discriminate against someone because they have had heart disease or asthma.

Non-defense Discretionary Spending

AARP remains deeply concerned about funding levels being considered by the Appropriations Committees for many programs important to older Americans. However,

¹ <https://www.aarp.org/content/dam/aarp/ppi/2016-12/trends-in-retail-prices-dec-2016.pdf>

we are particularly troubled by the funding recommendations for Social Security administrative operations and for Section 8 Tenant-based housing choice vouchers.

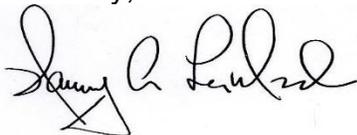
Chronic underfunding has been seriously compromising the ability of many agencies to fulfill their responsibilities. At the Social Security Administration (SSA), years of underfunding have resulted in a historically large backlog of hearings and claims and inexcusably lengthy wait times for appointments and calls. Short-changing SSA operations further compromises the ability of the agency to protect program integrity, and in turn, undermines the fiscal soundness of the Old Age and Disability trust funds. Budget cuts have already resulted in a significant reduction in field office staff, reduced office hours, and curtailed issuance of annual Social Security statements. Waiting time for appointments has dramatically increased, wait times for the 1-800 number have increased, and claims backlogs are growing. We urge you to use some of the additional baseline to substantially increase administrative funding to no less than \$13 billion.

In addition, AARP strongly supports maintenance of all funding of all existing housing choice vouchers. Rental assistance vouchers provide vital rental aid to more than 2.2 million very low-income households, including an estimated 600,000 elderly and 1.2 million disabled individuals. The most recent estimates indicate that more than 140,000 housing choice vouchers, or about six percent less than the amount needed to fund all voucher renewals, would be lost under the House-passed level of \$18.7 billion. AARP urges the Congress to provide no less than the Senate Appropriations Committee recommendation of \$19.37 billion.

Conclusion

AARP would like to thank you for the opportunity to submit this request. We believe that our federal budget must reflect a commonsense approach to our nation's current and future health and economic security needs and we look forward to working with you and the Administration to satisfy them. Furthermore, we believe we must strengthen affordability and access in the ACA marketplaces as well as protect and build on the important steps Congress has recently taken to lower prescription drug costs for Medicare beneficiaries. 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,

A handwritten signature in black ink, appearing to read "Nancy A. LeMond". The signature is fluid and cursive, with a large initial "N" and "L".

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