May 9, 2019

Dear Representative:

AARP is pleased to endorse H.R. 986, the “Protecting Americans with Preexisting Conditions Act.” On behalf of our nearly 38 million members and all older Americans nationwide, we applaud the House for taking this important step to address the adverse impacts that recent administrative changes to the Affordable Care Act (ACA) have had on health insurance for all Americans, especially those age 50-64.

The ACA addressed key obstacles in availability of health coverage, particularly for those age 50-64. Prior to the ACA, health insurance coverage was out-of-reach for many of these people not yet eligible for Medicare. Many paid more for less coverage and most states permitted insurers to charge older people five times or more than those who are younger for the same coverage. In many instances, due to a pre-existing condition, coverage was not only unaffordable but also unavailable. The ACA’s elimination of pre-existing condition exclusions and its limit on age-rating of 3:1 -- combined with the law’s premium tax credits -- are critical to ensuring that pre-Medicare eligible individuals can get and afford quality coverage.

Over the past two years, the Administration has issued rules and guidance -- including the revised Section 1332 waiver guidance -- that put at risk the critical consumer protections enshrined in the ACA. AARP is extremely concerned that the revised Section 1332 guidance not only allows for the sale of non-compliant, non-consumer protected health insurance plans, but it also allows for these plans to be eligible for advanced premium tax credits.

The revised 1332 guidance is particularly harmful to Americans age 50-64. For older people, a critical aspect of these consumer protections is the prohibition on denying coverage or charging higher rates for preexisting conditions and the prohibition on charging older individuals more than 3 times the rate of the youngest. The 3:1 age rating provision is crucial in protecting older people from paying an "age tax," essentially having to pay exorbitant rates for health insurance coverage simply because of their age. Prior to enactment of the ACA, health insurance carriers were allowed to charge rates that were often five or ten times higher, effectively rendering health insurance unaffordable to older Americans seeking coverage in the individual market.

At least 40 percent of Americans between the ages of 50-64 have what could be characterized by an insurance carrier as a preexisting condition. As people age, they tend to develop more health problems, including chronic conditions like congestive heart failure, rheumatoid arthritis, and kidney disease. The revised 1332 guidance that this
legislation will reverse would once again expose individuals to preexisting condition discrimination.

The ACA has extended quality, affordable coverage to millions of older Americans. Congressional and Administrative efforts should be aimed at strengthening the ACA’s consumer protections across all health insurance marketplaces, not eroding them. H.R. 986 is an important first step towards these goals and we urge you to vote “Yes” on this bill. If you have any further questions, please feel free to contact me, or have your staff contact Brendan Rose on our Government Affairs staff at brose@aarp.org or 202-434-3770.

Sincerely,

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