May 16, 2019

Dear Representative:

On behalf of AARP’s nearly 38 million members and all older Americans nationwide, AARP is pleased to support H.R. 987, the “Strengthening Health Care and Lowering Prescription Drug Costs Act.” This legislation is an important step towards lowering prescription drug costs and protecting the health care of millions of Americans who get their coverage through the individual market.

Prescription drug prices are a high priority for AARP and its members. Older Americans struggle to afford needed and life-saving medications, and are particularly vulnerable to high prescription drug prices. Medicare Part D enrollees take an average of 4-5 prescriptions per month, and over two-thirds have two or more concurrent chronic illnesses. When older Americans talk about the impact of high prescription drug prices, they are often talking about costs that they will face every year for the rest of their lives. The annual median income of Medicare beneficiaries is just over $26,000. One-quarter have less than $15,000 in savings. This population simply cannot afford to keep paying higher and higher prices for the medications they need.

There is no reason Americans should be paying the highest prescription drug prices in the world. AARP appreciates Congress’s focus on legislative solutions to help combat skyrocketing prescription drug prices. As a first step, we strongly support H.R. 965, the Creating and Restoring Equal Access to Equivalent Samples (CREATES) Act, and H.R. 1499, the Protecting Consumer Access to Generic Drugs Act, both of which have been included in H.R. 987. These bills will help eliminate loopholes that prevent lower-priced generic medications from entering the market. We look forward to building upon these bills towards additional solutions that will lower drug prices and the costs consumers pay.

We also support efforts to protect and strengthen the Affordable Care Act (ACA). 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 individuals not yet eligible for Medicare. Many paid more for less coverage and most states permitted insurers to charge older individuals 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.
This bill, H.R. 987 includes needed legislation to roll back recent Administration rules and guidance, such as the short-term plan rule, that jeopardize the ACA’s critical consumer protections. We have repeatedly raised concern about the expansion short-term plans that lack consumer protections and would once again allow insurance companies to charge much more due to age or a pre-existing condition. At least 40 percent of individuals between the ages of 50-64 have what could be characterized by an insurance carrier as a preexisting condition. Furthermore, the expansion of short-term plans allows insurance companies to charge consumers in these plans well beyond the ACA’s 3:1 limit on age rating. Older Americans across this country overwhelming reject this age tax and the loss of protections for pre-existing conditions. This bill would reverse the Administration’s short-term plan rule and protect the health care of older Americans in this market.

In addition, AARP also supports the ENROLL Act -- which would strengthen and improve the ACA’s consumer Navigator program -- and the SAVE Act -- which would revive the state-based exchange establishment grant program for states seeking to establish their own health insurance marketplace exchanges. These two bills strengthen the ACA by improving consumer access to crucial health insurance information while allowing for states to create marketplaces specifically tailored to the needs of a given state’s population.

AARP believes H.R. 987 is an important step in lowering drug prices and strengthening the ACA’s critical consumer protections, 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 Amy Kelbick (Rx) or Brendan Rose (ACA) on our Government Affairs staff at akelbick@aarp.org, brose@aarp.org, or 202-434-3770.

Sincerely,

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