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Dear Representative:

AARP, on behalf of our 38 million members and all older Americans nationwide, appreciates this opportunity to share our views on H.R. 1425, the Patient Protection and Affordable Care Enhancement Act. The legislation addresses a number of important improvements to the Affordable Care Act that will improve quality coverage and health security.

Older Americans not yet eligible for Medicare rely heavily on individual health insurance, with 5.6 million adults aged 50-64 currently enrolled in the nongroup market. Under the ACA, the uninsured rate among older adults has fallen 39% since 2013. However, the rate of uninsured increased between 2016 and 2018 as ACA premiums have increased, in large part due to elimination of the penalty for those who choose not to purchase insurance, legal uncertainty and the expansion of non-ACA compliant plan enrollment in the individual market.

In addition, older adults are particularly hard-hit by outrageously high prescription drug prices. Medicare Part D enrollees take an average of four to five 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.

Finally, AARP has a long history of advocating for needed access to care through the Medicaid program. The program is a vital safety net and intergenerational lifeline for millions of individuals and their family caregivers. Over 72 million seniors, people with disabilities, children and adults rely on Medicaid for critical health care and long-term services and supports.

Rescind Expansion of Short-Term Limited Duration Plans

AARP opposed the expansion of short-term limited duration (STLD) plans, which provide inadequate health insurance coverage and are not required to adhere to any of the ACA's consumer protection provisions. Most importantly for older Americans, STLD plans do not protect against an "age tax" by maintaining a maximum 3:1 age-rating band and do not prohibit coverage discrimination based on preexisting conditions.

STLD plans also directly destabilize the overall individual health insurance market. While those who most need the consumer protections of the ACA – including those aged 50-64 and those with preexisting conditions – remain in the individual market, younger and healthier individuals are siphoned off to inadequate STLD plans, leaving higher premiums and less affordable coverage for those remaining in the individual market. We appreciate the repeal of this harmful rule in H.R. 1425.

Revoke Section 1332 Guidance

AARP also supports revoking the 2018 Section 1332 guidance, which weakens the law's guardrails for consumers, including older adults, and could allow changes that reduce tax credits or expand the use of non-ACA compliant plans including by allowing states to provide federal taxpayer dollars for the purchase of these plans. Similar to the STLD plan rule, the guidance would promote plans that can discriminate based on age and preexisting conditions that would make nongroup coverage less affordable.

Improve Health Insurance Affordability Fund

AARP supports the creation of the "Improve Health Insurance Affordability Fund" that states can utilize to drive down the cost of health insurance premiums and out of pocket costs for consumers. We have long advocated for Congress to increase financial assistance for those with modest incomes purchasing health insurance coverage and we have seen reinsurance programs work in state-based exchange markets to reduce premiums and strengthen overall market stability.

Require Marketplace Outreach, Educational Activities, and Annual Enrollment Targets

AARP supports restoring funding to the Department of Health and Human Services (HHS) intended for open enrollment education and outreach. Consumer education and outreach is a critical component of open enrollment. Individuals need a clear understanding of their health insurance options, and perhaps more importantly, what financial assistance is available to purchase plans. We are also pleased that this bill emphasizes outreach to high health disparity areas, an important and needed step to focus on long standing disparities in health coverage for people of color and those with lower incomes.

Encourage Medicaid Expansion

AARP has long supported expanding Medicaid, which provides essential health coverage to millions of older Americans. Unfortunately, we continue to see higher uninsured rates among 50- to 64-year-olds in states that have yet to expand Medicaid. We support the provision of H.R. 1425 that would allow states that pursue Medicaid Expansion access to the full Federal Medical Assistance Percentage (FMAP) regardless of when they expand. This policy will hopefully encourage even more states to expand their Medicaid programs up to 138% of the Federal Poverty Level (FPL).

In addition, we also support providing eligible individuals with twelve months of continuous eligibility for Medicaid and CHIP. This policy will help reduce harmful gaps in coverage and will also reduce administrative burdens on individuals and caregivers.

Lower Prescription Drug Prices

AARP has been working to advance three key policy goals at the federal level to help make prescription drugs more affordable: reducing drug prices, capping seniors' out of pocket costs, and increasing generic competition. First, we are pleased that this legislation includes key provisions from H.R. 3, the Elijah E. Cummings Lower Drug Costs Now Act, which AARP continues to support. H.R. 1425 would provide Medicare the authority to negotiate the price of drugs, a critical reform with overwhelming public support that could help to lower drug prices for millions of older Americans. Medicare should be able to use its bargaining power to get a better deal for its more than 60 million beneficiaries, especially for the highest-priced drugs and those drugs with little or no market competition. In addition, we support allowing commercial insurance to access those negotiated prices, which will better enable all Americans to afford the prescription drugs they need.

AARP appreciates that Congress is focusing on these issues, which are so important to older Americans. We look forward to working with you to enact these important changes. If you have any questions, please contact me or have your staff contact Brendan Rose of our Government Affairs team at brose@aarp.org or 202-434-3770.

Sincerely,



Bill Sweeney

Senior Vice President

Government Affairs