



President
Robert Roach, Jr.

Secretary-Treasurer
Joseph Peters, Jr.

January 2, 2017

The Honorable Michael Burgess
Chairman
House Energy & Commerce
Subcommittee on Health
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Gene Greene
Ranking Member
House Energy & Commerce
Subcommittee on Health
2322A Rayburn House Office Building
Washington, DC 20515

Dear Chairman Burgess and Ranking Member Greene:

On behalf of the more than 4.4 million Alliance for Retired Americans, I appreciate the opportunity to provide comments to the hearing entitled, "Patient Relief from Collapsing Health Markets." Although the focus of the hearing is on reducing the cost of health care for Americans, Representative Bucshon's proposal to modify the health variations in health insurance premium rates only helps younger adults and would actually increase premiums for older Americans.

Prior to passage of the Affordable Care Act (ACA), the premium for a single 64 year old compared to a 19 year old typically varied by 5-to-1 and, in some markets, as high 11-to-1. This made insurance unaffordable for many early retirees who were not yet Medicare eligible and had to purchase insurance in the individual market. Instituting a 5-to-1 age rating would not only destroy the basic principles of the ACA, but it reverts back to previous law and to a broken system.

The Commonwealth Fund found that while the rate of insured would increase among young people if the age rating was changed to 5-to-1, 400,000 older adults would lose coverage. The shift in age rating would also increase costs to the federal government. Because the ACA caps premium contributions for low- and moderate-income marketplace enrollees as a percent of income, many individuals affected by the change in age rating would face higher premiums, reach the cap and the federal government would be required to pick up the cost difference.

We are also concerned about legislation relating to pre-existing conditions. While Representative Walden's bill promises to protect patients with pre-existing condition, it is our understanding that this would only be the case if the individual had continuous coverage. Should an individual lose coverage at any time, insurers would be allowed to charge much higher premiums.



I am pleased to add my voice to the chorus of individuals and organizations that oppose efforts to expand age rating bands and oppose the modified and narrower protections against pre-existing conditions. Thank you to taking my concerns into consideration and helping to spare older Americans from increased and unaffordable premiums.



Richard U. Fiesta
Executive Director

