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March 23, 2021

The Honorable Frank Pallone  
Chair  
U.S. House of Representatives  
Committee on Energy & Commerce  
2125 Rayburn House Office Building  
Washington, DC 20515

The Honorable Cathy McMorris Rodgers  
Ranking Member  
U.S. House of Representatives  
Committee on Energy & Commerce  
2125 Rayburn House Office Building  
Washington, DC 20515

The Honorable Anna Eshoo  
Chair  
U.S. House of Representatives  
Committee on Energy & Commerce,  
Subcommittee on Health  
2125 Rayburn House Office Building  
Washington, DC 20515

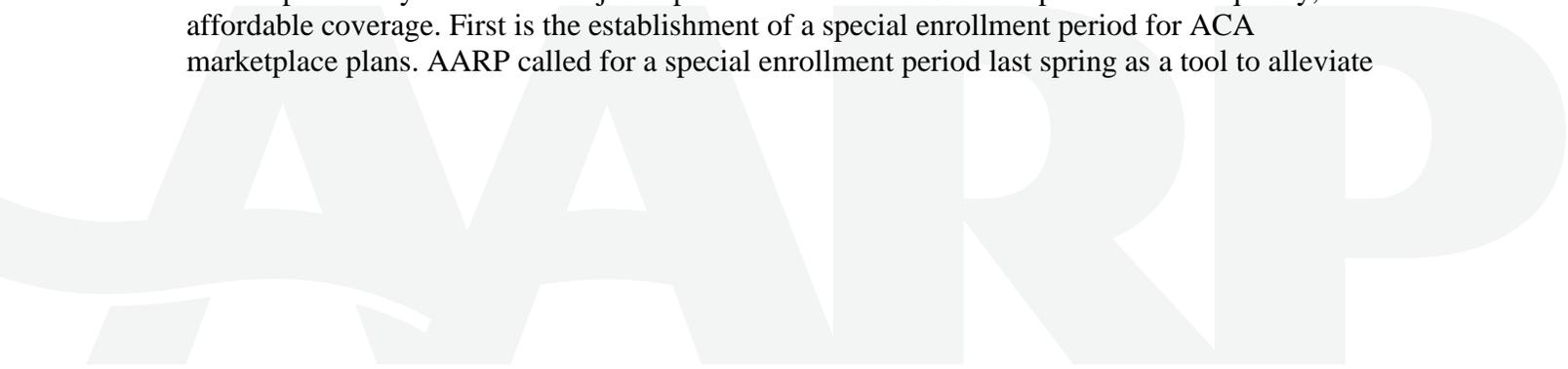
The Honorable Brett Guthrie  
Ranking Member  
U.S. House of Representatives  
Committee on Energy & Commerce,  
Subcommittee on Health  
2125 Rayburn House Office Building  
Washington, DC 20515

Dear Chair Pallone, Ranking Member McMorris Rodgers, Chair Eshoo and Ranking Member Guthrie:

AARP, on behalf of our nearly 38 million members and all older Americans nationwide, appreciates the opportunity to share testimony in advance of your hearing on March 23, 2021, entitled “Building on the ACA: Legislation to Expand Health Coverage and Lower Costs.” We are pleased that many of the bills to be discussed at the hearing will build on recent accomplishments and improve access to quality, affordable health insurance coverage.

Older Americans not yet eligible for Medicare often must rely on individual market health insurance, with more than 5 million adults aged 50-64 currently enrolled in these plans. Under the Affordable Care Act (ACA), the uninsured rate among older adults initially fell 39% between 2013 and 2016. However, the rate of uninsured for those age 50-64 has since 2017, due in large part to a combination of premium increases, elimination of the penalty for those who chose not to purchase health insurance, and the impact of expanding access to non-ACA compliant, short term plans.

We are pleased by two recent major improvements to the ACA to expand access to quality, affordable coverage. First is the establishment of a special enrollment period for ACA marketplace plans. AARP called for a special enrollment period last spring as a tool to alleviate



the strain of millions of Americans losing health insurance coverage due to the pandemic, and we applaud the current special enrollment period running through May 15. All eligible Americans will have an opportunity to enroll in plans through [healthcare.gov](https://www.healthcare.gov), which is especially important to those who have lost coverage or do not otherwise have access to employer sponsored coverage.

Perhaps even more importantly, the enactment of the American Rescue Plan Act (ARP) provided enhanced financial assistance for ACA marketplace plan enrollees to better afford coverage. This is especially important for people aged 50-64, who already pay up to three times more than other age groups and are much more likely to face unaffordable coverage. For example, in 2019, a single 64-year-old earning \$52,000 purchasing an ACA silver plan faced an average annual premium of \$13,475 – over 25% of their income. Under the ARP, that 64-year-old’s annual premium costs are now temporarily capped at 8.5% of income, equating to an annual premium of \$4,420, an annual savings of more than \$9,000. This is a dramatic improvement in affordability for quality health insurance, especially for those older Americans who remained uninsured because costs were too high.

While the recent improvements to the ACA will benefit millions of Americans, we support the following legislative actions to further improve the overall affordability and quality of health insurance coverage:

### **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 can impose an unfair “age tax” by charging premiums to older people that are more than three times higher than other people. These plans are also permitted to discriminate based on preexisting conditions, which especially affects older Americans.

STLD plans also destabilize the ACA risk pool and 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 cheaper, inadequate STLD plans, leaving higher premiums and less affordable coverage for those remaining in the individual market.

### **Rescind 2018 Section 1332 Guidance**

AARP 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 promotes plans that can discriminate based on age and preexisting conditions and would make nongroup coverage less affordable.

## **Require Marketplace Outreach, Educational Activities, and Annual Enrollment Targets**

AARP supports restoring funding to the Department of Health and Human Services (HHS) 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 also appreciate the continued focus on 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.

AARP once again appreciates the opportunity to share our views for this important hearing to expand coverage and lower health care costs, especially for Americans aged 50-64. We look forward to working with you to enact these important changes in the coming weeks and months ahead. If you have any questions, please contact me or have your staff contact Brendan Rose of our Government Affairs team at [brose@aarp.org](mailto:brose@aarp.org) or 202-434-3770.

Sincerely,



Bill Sweeney  
Senior Vice President  
Government Affairs