

## AARP Key Facts

**Since 2010, AARP has made more than \$4.5 billion in royalties and investment income as a result of their relationship with insurance companies.**

- AARP consolidated financial statements available here: [2010](#), [2011](#), [2012](#), [2013](#), [2014](#), [2015](#), [2016](#), [2017](#).
- Additionally, according to a news report, “A review of AARP’s financial statements shows that since 2010, AARP has made more than \$4.5 billion...from...health insurance plans and generating investment income from plan premiums.<sup>i</sup>”
- Additional news reports note that, “Much of AARP’s revenue comes from its connection to United Healthcare Group (UHG). While AARP collected \$301 million in membership dues in 2017, the organization took in about \$627 million in royalties from UHG.<sup>ii</sup>”
- According to a 2011 Congressional report, “United is AARP’s largest business partner. As part of the United and AARP business agreement all three of the Medicare insurance product lines are marketed under the AARP brand name.<sup>iii</sup>”
- This same Congressional report further found that “State insurance rate filings show that, in 2010, AARP retained 4.95% of seniors’ premiums for every Medigap policy sold under its name.<sup>iv</sup>”
- A news report quoted a former AARP executive as saying that, “The new arrangement with insurance companies creates a tremendous number of potential conflicts for AARP.<sup>v</sup>”
- According to a news report, “AARP has long played a dual role. It advocates for the interests of seniors, and it makes money allowing its name to be used in selling them private insurance.<sup>vi</sup>”

**Despite support from policymakers on both sides of the aisle and more than [86% of AARP members](#), AARP continues to oppose policies that would enable sharing the savings with seniors, while receiving hundreds of millions of dollars in revenue from insurance companies every year.**

- In a comment letter submitted on the Drug Blueprint RFI, AARP notes that they “Remain concerned that requiring manufacturer rebates and price concessions to be passed through at the point of sale could have unintended consequences and could lead to higher premiums for many beneficiaries.<sup>vii</sup>”
- According to the *New York Times*, “About one-third of people with Medicare drug plans will directly benefit from lower out-of-pocket costs, but it’s unclear how the other two-thirds will see an advantage. That’s why some consumer groups, such as AARP, have opposed similar proposals.<sup>viii</sup>”
- At a May 2019 Congressional hearing when asked about the proposed rebate rule – which would have reformed the rebate system in Medicare Part D and encouraged insurers and Pharmacy Benefit Managers (PBMs) to share the savings with seniors directly at the pharmacy counter – an AARP representative said, “AARP has raised a fair amount of concerns about the proposal.<sup>ix</sup>”
- In this same Congressional hearing, an AARP representative said they have, “Raised a lot of concern for us...is the juice worth the squeeze. We’re not quite sure this is going to get us exactly what we’re looking for.<sup>x</sup>”

- In a comment letter submitted on the proposed rebate rule, AARP says that they “Strongly support policies to...reduce consumers’ drug costs...AARP is concerned that the rule as proposed will not achieve these goals.<sup>xi</sup>”

**At the state level, AARP has supported proposals that could put seniors’ safety at risk and limit their access to the medicines they need while calling for myopic “transparency” measures that disregard the impact big insurance companies and middlemen have on patients’ out-of-pocket costs.**

- In states across the country – including Colorado, Connecticut, Florida, Illinois, Maine, New York, Oregon, Utah and Vermont – AARP supported proposals to allow states to develop state-run importation programs, despite publishing an article in their May 2016 AARP bulletin warning about the rise and dangers of counterfeit drugs entering the United States from bad actors purporting to be Canadian pharmacies.<sup>xixiii</sup>
- In several states, including Illinois<sup>xiv</sup>, Maryland<sup>xv</sup>, Maine<sup>xvi</sup>, and Minnesota<sup>xvii</sup>, AARP supported price controls that could limit seniors’ access to cutting-edge treatments and cures.
- Finally, as part of their “Stop Rx Greed” campaign, AARP promotes state-level “transparency” measures that myopically target biopharmaceutical companies and ignore others in the supply chain who determine what patients have to pay out of pocket at the pharmacy counter. Notably, AARP ignores a major component of the pharmaceutical supply chain who ultimately decides what patients have to pay – giant insurance companies.<sup>xviii</sup>

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<sup>i</sup> Jacobs, Christopher How AARP Made Billions Denying Care to People with Pre-Existing Conditions. The Federalist. October 11, 2018. Available at: <https://thefederalist.com/2018/10/11/aarp-made-billions-denying-care-people-pre-existing-conditions/>

<sup>ii</sup> Fordham, Evie The Trump Administration Says this Proposal Will Help Seniors Afford Their Drugs. AARP Says Not so Fast. May 13, 2019. Available at: <https://dailycaller.com/2019/05/13/aarp-rebate-rule-hhs-cms/>

<sup>iii</sup> Behind the Veil: The AARP America Doesn’t Know. March 2011. Available at: [https://web.archive.org/web/20110406145610/http://waysandmeans.house.gov/UploadedFiles/AARP\\_REPORT\\_FINAL\\_PDF\\_3\\_29\\_11.pdf](https://web.archive.org/web/20110406145610/http://waysandmeans.house.gov/UploadedFiles/AARP_REPORT_FINAL_PDF_3_29_11.pdf)

<sup>iv</sup> Ibid.

<sup>v</sup> Carney, Timothy AARP Opposes Medicare Bill Which Reduces Profits. March 24, 2015. Available at: <https://www.washingtonexaminer.com/aarp-opposes-medicare-bill-which-reduces-its-profits>

<sup>vi</sup> Fletcher, Michael & Goldfarb, Zachary AARP uses its power to oppose Social Security, Medicare Benefit Cuts for Retirees. November 17, 2012. Available at: [https://www.washingtonpost.com/business/economy/aarp-uses-its-power-to-oppose-social-security-medicare-benefit-cuts-for-retirees/2012/11/17/affb5874-2aa6-11e2-bab2-eda299503684\\_story.html?utm\\_term=.6774e27a390b](https://www.washingtonpost.com/business/economy/aarp-uses-its-power-to-oppose-social-security-medicare-benefit-cuts-for-retirees/2012/11/17/affb5874-2aa6-11e2-bab2-eda299503684_story.html?utm_term=.6774e27a390b)

<sup>vii</sup> AARP Comment Letter on Drug Blueprint RFI. July 16, 2018. Available at: <https://www.aarp.org/content/dam/aarp/politics/advocacy/2018/07/aarp-drug-blueprint-rfi-comments-071618.pdf>

<sup>viii</sup> Thomas, Katie & Abelson, Reed How Trump’s Latest Plan to Cut Drug Prices Will Affect You. February 5, 2019. Available at: <https://www.nytimes.com/2019/02/05/health/drug-prices-rebates-sotu.html>

<sup>ix</sup> Hearing on “Lowering Prescription Drug Prices: Deconstructing the Drug Supply Chain.” May 9, 2019. Available at: <https://energycommerce.house.gov/committee-activity/hearings/hearing-on-lowering-prescription-drug-prices-deconstructing-the-drug>

<sup>x</sup> Ibid

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- <sup>xi</sup> AARP Comment Letter on Rebate Rule. April 8, 2019. Available at: <https://www.aarp.org/content/dam/aarp/politics/advocacy/2019/04/aarp-comment-letter-on-rebate-rule-final.pdf>
- <sup>xii</sup> Eaton, Joe Counterfeit Drugs are Flooding the Nation's Pharmacies and Hospitals. May 2016. Available at: <https://www.aarp.org/health/drugs-supplements/info-2016/counterfeit-prescription-drugs-rx.html>
- <sup>xiii</sup> Marsa, Lisa Here's How to Lower Prescription Drug Prices. April 30, 2019. Available at: <https://www.aarp.org/politics-society/advocacy/info-2019/5-point-prescription-drug-plan.html>
- <sup>xiv</sup> WCIA: AARP Illinois Backs State Plan to Drive Down Drug Prices. March 31, 2019. Available at: [https://www.wcia.com/video/aarp-illinois-backs-state-plan-to-drive-down-drug-prices\\_20190331231504/1891055515](https://www.wcia.com/video/aarp-illinois-backs-state-plan-to-drive-down-drug-prices_20190331231504/1891055515)
- <sup>xv</sup> AARP: 2019 AARP Rx Affordability Campaign. March 3, 2019. Available at: <https://states.aarp.org/maryland/maryland-rx-19>
- <sup>xvi</sup> Carrigan, Don. Democrats Target Prescription Drug Prices with Five Bills. March 12, 2019. Available at: <https://www.newscentermaine.com/article/news/democrats-target-prescription-drug-prices-with-five-bills/97-97142b4e-bc4c-4baf-ae7d-1b2cd13b6989>
- <sup>xvii</sup> AARP: Standing Up to High Drug Prices in Minnesota. May 12, 2019. Available at: <https://states.aarp.org/minnesota/standing-up-to-high-drug-prices-in-minnesota>
- <sup>xviii</sup> AARP: Support Drug Price Transparency. Retrieved June 5, 2019. Available at: <https://www.aarp.org/politics-society/advocacy/info-2019/prescription-drugs-price-transparency.html>.