

AARP: On the Wrong Side of History—Again

What Happened the Last Time the Organization Put Its Own Interests Before Seniors'

Even as Speaker Pelosi and President Obama attempt to trump the endorsement of purported seniors' advocacy organization AARP for the Pelosi health care bill as a monumental achievement, a look at past health care bill shows the AARP's "seal of approval" has often functioned as the "kiss of death" for proposals unpopular with the American people. Just as disturbing lies the fact that AARP's endorsements of legislation often coincides with special favors being bestowed in those very bills:

- In 1988, AARP endorsed the Medicare Catastrophic Coverage Act (P.L. 100-360)—so unpopular that it was repealed the following year. As Haynes Johnson and David Broder write in their analysis of the Clinton health care debate, *The System*, "AARP had been badly burned by the failure of the Medicare catastrophic insurance legislation...It endorsed that bill early, saw it become law, and then watched rival organizations of senior citizens lead the battle to have it repealed."
- What Johnson and Broder refer to as the Medicare catastrophic "fiasco" occurred as the bill fell "victim [to] a loud protest from the very people it was supposed to help." While AARP claimed the catastrophic bill would help seniors—just as AARP alleges the Pelosi bill will provide untold benefits to Medicare beneficiaries—its own members did not agree. Perhaps most worrisome for Democrats, the bill's higher taxes began immediately, while the benefits did not take effect for several years—prompting rapid outcries from seniors that led to the bill's repeal. The exact same scenario faces the Pelosi health care bill.
- The Medicare catastrophic debacle contains other parallels to the Pelosi bill 20 years later—out-of-touch politicians being accosted by angry constituents seeking to hold Members accountable for not representing their interests. Most famously, then-House Ways and Means Committee Chairman Dan Rostenkowski (D-IL) was—despite his protests to the contrary—chased out of a meeting by angry seniors, who promptly surrounded his car as he attempted to escape. The contrast between Rostenkowski and his constituents



was stark; the latter shouted, "He's supposed to represent the people—not himself!" while the Chairman alleged, "I don't think they understand what the government's trying to do for them..."

What an AARP endorsement meant for Dan Rostenkowski: Angry seniors confront Ways and Means Committee Chairman over his support for AARP-endorsed Medicare catastrophic legislation in 1989.

- Despite the cautionary tale of the Medicare catastrophic debacle, five years later Democrats waded back into health care, with another scheme to expand government-run insurance—this time to all Americans as part of President Clinton's "reform" effort. Despite the fact that the proposed new entitlement to government-run health care was financed by reductions in seniors' Medicare benefits—as is the case today—AARP endorsed legislation written by then-Senate Majority Leader George Mitchell (D-ME).
- The AARP-endorsed legislation also happened to contain provisions benefiting the organization. For instance, one news [article](#) from 1994—headlined "AARP Endorsement of Reform May Be Financially Motivated"—pointed out that the Mitchell bill exempted mail-order pharmaceuticals from price controls imposed on Medicare prescription drugs—and "not coincidentally, AARP currently owns a stake in one of America's oldest and largest mail-order prescription drug companies." As the article noted, "If the Mitchell bill becomes law, this clause could mean extra wealth for what's already become a cash cow for America's largest advocacy group."
- Similarly, passing the Pelosi health care bill would likely provide a significant benefit to AARP's financial interests. The Pelosi bill contains strict restrictions on all other forms of health insurance—banning pre-existing condition exclusions and limiting "excessive" price increases—except Medigap supplemental insurance plans purchased by seniors. Perhaps not coincidentally, AARP plans dominate the Medigap market—meaning that under the Pelosi bill, AARP could continue its current practice of denying access to individuals with pre-existing conditions in order to increase its own "royalty fees." Indeed, AARP could benefit further from the Pelosi bill, by obtaining new Medigap customers when the legislation's cuts to Medicare Advantage cause millions of seniors to lose their current coverage.

Even as the month of August demonstrated seniors' concern about the impact of the Pelosi health care bill on them, AARP officials [showed the same kind of disdain](#) for their members' concerns that Chairman Rostenkowski demonstrated to his constituents twenty years ago—attempting to quiet its members by telling them, "**You are not running the meeting,**" then running out of the meeting when members continued to raise concerns about Democrats' government takeover of health care. Both the organization's past history and its present behavior raise questions about the entity's very character and nature: How many more times will AARP need to support failed health care legislation before understanding that its members do not support a government takeover of health care? And when will the organization stop endorsing legislation that benefits its financial interests rather than those of seniors?

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