



September 9, 2021

The Honorable Richard Neal
Chairman
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, D.C. 20515

The Honorable Kevin Brady
Ranking Member
House Committee on Ways and Means
1011 Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Neal and Ranking Member Brady:

AARP, on behalf of our 38 million members and all older Americans nationwide, supports the efforts of the Ways and Means Committee to invest in the health and financial security of all Americans, which will benefit generations to come. This is a monumental opportunity for Congress to address the significant needs of older Americans that have persisted for decades.

AARP supports many of the provisions before the committee, including:

Prescription Drug Affordability

There is no reason why Americans should continue paying the highest prices in the world for prescription drugs. A recent AARP [survey](#) found that 70% of Americans age 50+ believe finding solutions to lower drug prices this year is very important. The same survey found that the high cost of drugs was the most common reason that people did not fill a medicine their provider prescribed for them. Meanwhile, retail prices for the most widely-used brand name prescription drugs [increased](#) by an average of 277% percent between 2006 and 2020, compared to a general inflation rate of 32% in that same period.

AARP supports three key federal solutions that will lower drug prices and costs for older Americans:

- Allow Medicare to negotiate for the price of prescription drugs. This reform is overwhelmingly supported by older Americans, with 89% of Independents, 85% of Republicans and 88% of Democrats saying they support allowing Medicare to negotiate.
- Cap out-of-pocket costs in Medicare Part D. Older Americans taking expensive drugs can face out-of-pocket costs that exceed \$10,000 per year.
- Penalize drug companies that increase drug prices faster than inflation. In 2020 alone, drug prices increased at *twice* the rate of inflation.

These policies were included in H.R. 3 - the Elijah E. Cummings Lower Drug Costs Now Act, which AARP supports. According to the Congressional Budget Office, allowing Medicare to negotiate for the price of prescription drugs could save billions of dollars for older Americans on Medicare Part D and hundreds of billions more for the Medicare program overall. We appreciate this committee's work to lower drug prices. The time to act is now.

Medicare Benefit Improvements

AARP has long supported closing the gaps in health coverage by including dental, hearing, and vision coverage in the Medicare program. The lack of coverage for these important benefits leads to worse health for older Americans, which could lead to higher Medicare spending. To achieve the best possible health outcomes, and the greatest value, Medicare should cover the entire person – from head to toe. We appreciate the committee's inclusion of new dental, hearing and vision benefits in Medicare in the legislation being considered.

The need for dental care, in particular, among older people is both significant and urgent. A recently released Kaiser Family Foundation [report](#) shows that almost half of all Medicare beneficiaries did not have a dental visit within the past year (47%), with higher rates among those who are Black (68%) or Hispanic (61%), have low incomes (73%), or who are in fair or poor health (63%). Average out-of-pocket spending on dental services among Medicare beneficiaries who had any dental service was \$874 in 2018.

There is a clear connection between poor oral health care and certain chronic diseases like diabetes and heart disease. Access to adequate dental care among older adults can prevent or delay these problems and may lead to overall improvements in health and well-being among seniors. Similarly, vision loss and hearing loss in older people is connected with memory loss and dementia and can lead to increased social isolation that negatively impacts all aspects of a person's life. AARP's [research](#) shows that social isolation among midlife and older adults is associated with an estimated \$6.7 billion in additional Medicare spending annually.

Although some Medicare Advantage plans include dental, hearing, and vision benefits, their coverage is inconsistent, and not nearly robust enough. People want these services and are often surprised when they learn Medicare does not cover them. Medicare Part B should cover dental care, vision care, and hearing care, and Congress must take this opportunity to make it happen.

Family Caregiver Support

AARP strongly supports a tax credit to help address the financial challenges of working adults caring for a loved one. America's 48 million family caregivers are the backbone of our nation's long-term care system and play an essential role in caring for their loved ones. A family caregiver tax credit, in addition to efforts to expand access to home and community-based services (HCBS), will help address the urgent needs for caregiving in this country.

In the United States, these caregivers provide about \$470 billion annually in unpaid care to their loved ones. In addition, nearly eight in ten of them (78 percent) report regularly spending their

own money on caregiving expenses. On average they are spending \$7,242 every year, 26 percent of their income, on caregiving. The financial strain is even greater for Hispanic/Latino and Black families.

To help those families who sit at the kitchen table and try to make their budgets stretch, AARP strongly supports including a tax credit in the reconciliation legislation, such as the Credit for Caring Act (H.R. 3321). This legislation would provide a new, nonrefundable federal tax credit of up to \$5,000 annually for eligible working family caregivers of all ages, helping them offset the high out-of-pocket costs they bear while also helping to keep them employed. This is especially important for those who care for non-dependents or who do not live with the person they are assisting. AARP and over 120 organizations, including 36 military and veteran service and support organizations, support this legislation.

According to an AARP [survey](#) released in August, 50 and older voters overwhelmingly want Congress to enact this kind of legislation. Specifically, eight in ten (84 percent) support a tax credit aligning with the details of the Credit for Caring Act, with 78 percent of Republicans, 93 percent of Democrats, and 83 percent of Independents in favor of such assistance.

Paid Leave

For working people to provide care for themselves or their loved ones, they must have access to paid leave. That is why AARP strongly supports Chairman Neal's proposal, the Building an Economy for Families Act. This important legislation takes crucial steps to help caregivers and those living with a significant illness continue to earn needed income. AARP has worked hard across the country over many years to support state paid leave programs. We commend the Chairman for recognizing these innovative programs and including them in his thoughtfully designed proposal.

Among working caregivers, nearly six in ten say their employer does not offer paid family leave, which is why it is essential this new benefit be comprehensive and available to all workers equally. AARP applauds Chairman Neal for treating all workers equitably and ensuring this new benefit is inclusive so everyone can take time to care for themselves, family members, and loved ones. Chairman Neal recognizes the benefit must cover all purposes, including caregiving and medical leave, and not differentiate between the reason for needing paid leave by offering the same level of support. All workers may face a time in their career when they need extended time from their employment to take care of themselves or a loved one. They should not have to choose between that and losing a paycheck or their job.

AARP also praises the Chairman's approach to the administration of this new and vital benefit. Ensuring delivery of a paid leave program does not cause unintended consequences or negatively impact other needed benefits is critical, especially to older Americans. AARP has grave concerns about proposals to burden the Social Security Administration (SSA) with the management of a new benefit program. For older Americans and people with disabilities, it is of the utmost importance that SSA can properly administer existing programs. Unfortunately, for decades, the agency has struggled to provide the level of service we would expect, including substantial delays in processing existing benefits, extensive call wait times, and inadequate budget and

staffing resources. AARP is encouraged by the Chairman's decision to administer paid leave at the Department of Treasury, and as we have for many years, AARP continues to call on Congress to fully fund the Social Security Administration and ensure it has the resources and oversight to provide the level of customer service all Americans should expect and deserve.

Nursing Homes

Importantly, the legislation before your committee addresses nursing home staffing. More than 186,000 nursing home and other long-term care facility residents and staff have died due to COVID-19, representing more than 30 percent of all COVID-19 deaths to date, even though nursing home residents comprise less than one percent of the U.S. population. Even before the pandemic, many long-term care facilities struggled with adequate staffing. During the pandemic, [AARP's Nursing Home Dashboard](#) has consistently found over 22 percent of nursing homes nationally reporting a shortage of direct care workers since June 2020. COVID-19 exacerbated already long-standing staffing shortages. Across the country, we have seen that higher staffing levels are associated with fewer deaths and COVID-19 cases in nursing homes. In addition, research shows that nursing homes with a registered nurse on staff help improve the quality of care. AARP supports and appreciates that the Chairman's mark takes long overdue and much-needed action to establish federal minimum staffing requirements for nursing homes. Adequate staffing is important to quality of care and sometimes can literally mean the difference between life and death. AARP also supports the Elder Justice Act reauthorization that includes provisions to help improve staffing in nursing homes.

In addition, AARP supports improving the accuracy and reliability of information provided by skilled nursing facilities. Accurate information is important to providing quality care and quality of life for residents, ensuring accurate payment, and providing reliable information about nursing homes and the care they provide for residents and their families. Reports of inaccurate data, underreporting of data, and other issues show the need for additional measures to ensure the accuracy and transparency of data reported by nursing homes. Nursing home surveys and enforcement processes are also critical to ensure effective oversight and provision of quality care for residents.

Affordable Health Coverage

AARP supports the extension of increased health coverage subsidies that were included in the American Rescue Plan Act (ARPA). Health care affordability remains a challenge, particularly for adults aged 50-64. We have seen throughout the pandemic the critical need for access to affordable coverage. The enhanced financial assistance has allowed over 2.5 million Americans to gain coverage, and reduced premiums for many more, in some cases down to \$0. For older adults who pay three times more for coverage than someone younger, the impact of these new financial protections is dramatic.

Without these subsidies, health coverage is simply unaffordable for many Americans, especially those age 50 to 64. An analysis from AARP's Public Policy Institute [finds](#) that nearly half of older adults purchasing health insurance through the nongroup health insurance market faced unaffordable health coverage in 2019, compared to only 30% of younger adults. The same study

found that in 2019, a 64-year-old earning slightly above the threshold to be eligible for premium subsidies under the Affordable Care Act faced an average premium that was nearly 30% of their income. The impact of unaffordable premiums has an even stronger negative impact on communities of color. While the ACA has significantly narrowed racial and ethnic coverage disparities in health coverage among 50-64-year-olds, about 20% of Hispanic/Latino and Native Americans in that age range are uninsured – almost triple the rate for non-Hispanic whites.

Retirement

AARP is committed to expanding retirement savings, so all Americans have adequate income for retirement through Social Security, pensions, and private savings. We greatly appreciate the committee's longstanding leadership on U.S. retirement system development and improvements. AARP has been a long-time supporter of federal automatic individual retirement account (IRA) legislation. Decades of experience and research show that workers support and benefit from automatic paycheck savings into prudent, low-cost long-term investments.

AARP supports legislation sponsored by Chairman Neal to create such a program. Over the years, we have worked with many other advocates to pass legislation in states, and we appreciate that this legislation recognizes and includes these state programs as part of the federal effort.

In addition to extending coverage to more workers, Congress should encourage greater savings for those who participate in workplace retirement plans. Individual account plans, like 401(k) plans, do not always lead to adequate retirement savings. That is why AARP supports efforts to improve the Savers Tax Credit, which is unfortunately woefully underutilized. From 2006 through 2014, only about five percent of eligible filers claimed the credit. We support changes that would enable more Americans to benefit from the Saver's Credit, including making the credit refundable and raising the income thresholds to reach more moderate-income families.

Conclusion

We again urge you to seize this current opportunity to lower drug prices, improve Medicare and nursing homes, support family caregivers with tax credits and paid leave, and expand access to health care and retirement savings. The legislation you are working to approve is nothing short of transformative. We urge you to pass these important policies to improve the health and financial security of all older Americans, and we look forward to continuing to work with you on this effort. If you have any additional questions, feel free to contact me or have your staff contact Bill Sweeney, Senior Vice President of Government Affairs, at 202-434-3750.

Sincerely,



Nancy A. LeaMond
Executive Vice President and
Chief Advocacy & Engagement Officer