

**From:** Jacobs, Chris (RPC)

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**Subject:** Backroom Deal Exposed: AARP Could Make \$1 BILLION Off of Obamacare

Several Republicans on the Ways and Means Committee this afternoon issued a [report](#) regarding AARP and its business activities. Among other topics, the report attempted to quantify the benefits AARP will receive as a result of the health care law. Specifically, the report found that while AARP's Medicare Advantage and Part D plans receive a flat licensing fee from UnitedHealth Group regardless of the enrollment in their plans, AARP receives 4.95% of each Medigap premium dollar paid by senior citizens (this percentage used to be 4% of Medigap revenues, but AARP negotiated an increase in its last contract, in 2007). Because of these unique contractual arrangements, AARP has NO financial incentive to expand Medicare Advantage enrollment, but DOES have a financial incentive to expand Medigap enrollment – and Medigap enrollment will expand thanks to the Medicare Advantage cuts in the law.

Based on this information, and estimates of declines in Medicare Advantage enrollment thanks to the cuts in the health care law, the report estimates that AARP will receive between \$55 million and \$166 million in new revenue in 2014 alone – meaning **the ten-year financial windfall received by AARP due to Obamacare could total over \$1 billion.**

The report also contains other information about the interlocking financial relationships between various AARP-related entities, as well as other practices – including spending on things like NASCAR sponsorship and meetings hosted at the Hotel del Coronado – that raise potential questions about the organizations' non-profit tax status.

Last March, Speaker Pelosi famously [said](#) we had to pass the bill to find out what's in it. Today's report reveals "what's in it" for AARP, which might explain why the organization endorsed a piece of legislation that reduces choice and access for seniors.

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