

As Congress debated the Democrat healthcare overhaul legislation last year, the ardent support of the senior advocacy organization AARP, which was key to its passage, raised a massive red flag with many people, including many AARP members. After all, in addition to failing to address skyrocketing health care costs, ObamaCare includes one-half trillion dollars in cuts to Medicare, that, according to Medicare's own actuaries, could threaten seniors' access to doctors and hospitals and will force many seniors—including thousands here in [Northern California](#) – off their existing Medicare Advantage plans and into new plans with potentially higher premiums. Why would a tax-exempt organization whose sole purpose is purportedly to improve the lives of seniors support legislation that would so clearly harm its own members?

I believe seniors, in addition to all taxpayers, have a right to know the answer to this fundamental question. As Chairman of the Ways and Means Subcommittee on Health, I, along with two other members of Congress, examined AARP's finances, management and structure and the possible factors that may have led AARP to endorse the law despite its harmful impacts to seniors. This week, we released a [report](#) that reveals a seemingly unfortunate answer. It raises serious concerns about whether AARP is motivated more by its own bottom line than concerns for seniors' well being. It also raises troubling questions about AARP's non-profit status, and whether the organization is meeting the requirements of the law. We have asked the IRS to further investigate that specific question.

Our report found that AARP's finances stand to grow dramatically under the new health care reform law. Specifically, as a result of cuts in the new law, more than 7 million seniors are expected to lose their current Medicare Advantage plans, resulting in a massive migration of seniors to supplemental Medigap plans. AARP is the nation's leading provider of these Medigap plans and has a contract in which it financially gains for every additional enrollee. (Interestingly, while AARP also markets and profits a Medicare Advantage plan, the payments it receives based on these plans are NOT tied to the number of enrollees.) AARP will benefit substantially from these new Medigap enrollees, generating, according to a conservative, mid-range estimate, an additional \$1 billion in profits over the next 10 years.

In addition, the report found that AARP's charitable contributions have essentially flat lined even as the revenues from the sale of their insurance products have dramatically increased. Yet, as a non-profit, AARP enjoys the benefit of tax-exempt status. If a tax-exempt organization appears to be functioning more like a for-profit business, I believe it is both appropriate and critical that the Congress and the IRS investigate its practices.

Today I chaired a Ways and Means Health and Oversight subcommittee hearing that further highlighted the findings of this report. AARP's CEO, Barry Rand, left many key questions about the business practices and finances of AARP unanswered. Further, a specialist in non-profit law testified that the facts included in the AARP report raise a number of troubling legal questions. He called AARP's complicated structure "unprecedented" in his experience. He also indicated that "further investigation is warranted."

Contrary to the accusations of some people, this is not a political exercise. To the contrary, we have an obligation to ensure that the American people, and specifically America's seniors, know and understand the real AARP so they can make the choice for themselves about whether their interests are being represented. There's no question that millions of well-intentioned Americans look to this organization for leadership on issues important to them. Unfortunately, this report suggests that AARP, contrary to what it says, might not be looking out for them. Therefore, I will continue to push this investigation forward. In my view, if any organization misuses their status as a non-profit charitable organization for financial gain, the American people deserve to know.