

AARP's Tradition of Betrayal

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Founded in 1958 for aged 50 and older Americans, [AARP](#) call itself “a nonprofit, nonpartisan membership organization (dedicated to) improv(ing) the quality of their lives,” even though from inception it sold insurance to earn royalties – now to its 40 million members in all 50 states, the District of Columbia, Puerto Rico, and the US Virgin Islands while claiming a mandate to:

- deliver “value to members through information, advocacy and service;”
- work “tirelessly to fulfill its vision: a society in which everyone ages with dignity and purpose, and in which AARP helps people fulfill their goals and dreams;” and
- speak “with one voice – united by a common motto: ‘To serve, not be served.’”

Today it's branches include:

- AARP Foundation focusing on “education....service, (and) legal advocacy efforts;”
- AARP Services, providing “marketplace access to services that people need and want” related to “health and financial products, travel and leisure offerings, and life event services;”
- AARP Financial, Inc. providing “financial advice and education, and managed AARP-endorsed financial and insurance products,” that include health care and other insurance as well as equity, bond and money market mutual funds sold to members;
- AARP Global Network of “likeminded, nonpartisan, national organizations (in five countries) working to meet the needs of older adults around the world;” and
- NRTA: AARP's Educator Community (formerly the National Retired Teachers Association) comprised mainly of “educators and school personnel dedicated to educational opportunities, advocacy, and service.”

On March 9, 2009, Roll Call's Katie Kindelan's article titled, “Defining a Future at AARP” described the organization as “perhaps the nation's most powerful and well-funded advocacy” group, both inside and beyond the Beltway, impressively headquartered in a 10-story, 500,000 foot DC building.

Nonprofit in name only, “AARP is the equivalent of a Fortune 500 company, employing a staff of 2,419 employees, (incurring) \$1.16 billion in operating expenses and overseeing

annual revenues (well above) \$1 billion,” around 60% of which comes from so-called Medigap supplemental insurance sales.

According to Physicians for a National Health Program (PNHP), “Some of these products are total rip offs,” so bad, in fact, that AARP was forced to withdraw its Essential Health Insurance Plan and Essential Plus Health Insurance Plan, developed by United Health Group and sold to 44,000 of its members.

PNHP calls AARP “part of the problem and not part of the solution. It is nothing but an insurance (and financial) broker disguised as an advocacy group – and they will never take on the health insurance industry. (It) represent(s) the insurance industry (and its own self-interest) rather than (its members and) the public welfare in discussions about health reform.”

As a result, it’s largely profit-driven offering 17 types of insurance reaping hundreds of millions annually in royalties. Millions more from selling drugs; other products and services including mutual funds; plus federal subsidies exceeding \$80 million annually; and annual membership dues of \$16 per year, \$43 for three years, or \$63 for five x 40 million members.

It’s also active on Capitol Hill with a 50-person staff and a 2008 \$28 million lobbying budget, much like major corporations and for the same purpose – profits at the expense of member interests, unaware how they’re ill-served by an organization claiming to be their advocate.

AARP’s Role in Enacting the Controversial Medicare Prescription Drug, Improvement and Modernization Act (MMA) of 2003 – the So-Called Part D

Costing tens of billions annually, passage came only after initially being defeated, followed by a three hour all-night suspending of proceedings to exert pressure and offer bribes because passage assured PhRMA big profits at the expense of seniors extorted top dollar for prescription drugs, not the substantial savings government-negotiated prices would have delivered. Yet AARP was one of its staunchest advocates.

In an email later revealed, the organization’s associate executive policy director, Chris Hansen (a former aerospace lobbyist), assured Bush deputy assistant to the president, Barry Jackson, that he was on board with only minor issues to resolve. He said:

“We know that there may be details that we will message differently but we are together on the big goal.”

The deal was struck, and in succeeding weeks, AARP leaders worked closely with House Speaker Dennis Hastert and Senate Majority Leader Bill Frist to draft a final bill. On November 22, 2003 the House passed it. The Senate followed three days later, and on December 8, it became law after George Bush signed it as “an important step toward fulfilling a longstanding promise to older and disabled Americans” who later learned they were swindled by the administration, Congress, and their premiere advocate that betrayed them for profits, its ties to PhRMA, and greater political influence in Washington.

At the time, former House Speaker Newt Gingrich explained that AARP’s CEO, Bill Novelli, had “a long history of supporting individual responsibility in health care and doesn’t want seniors dependent on government handouts.” Novelli, in fact, invited Gingrich to join an

advisory panel to discuss AARP future strategies, including insurance and other products and services it might sell. He also endorsed Gingrich's book, "Saving Lives and Saving Money" by writing in its forward:

"Gingrich's (marketplace medicine) ideas are influencing how we at AARP are thinking about our national role" in the health care debate. Whether or not "one agrees (with his) policies, the book has interesting and important ideas about transforming the American health care system" to assure it remains a private for-profit system, not one run by Washington.

Novelli also expressed concern about "how (Medicare) is financed and operated," the program AARP opposed in the 1960s, after which it supported the major 1988 Medicare Catastrophic Coverage Act expansion, aligned with the Republican-controlled Congress in 1995 on health issues, backed the 1997 Medicare Reform Act that let recipients choose between private health insurance plans, and was comfortable with a free-market approach after Novelli became CEO in June 2001.

His background foretold his advocacy. His November Group initiative for Richard Nixon helped devise attack ads against George McGovern in 1972. In the 1980s, his Porter-Novelli PR firm helped the drug industry. When he left in 1990, his clients included Bristol-Myers, Ciba-Geigy, Hoffman-La Roche, SmithKline Beecham, and the Pharmaceutical Manufacturers Association.

As AARP CEO, Novelli began centralizing control at the top, away from greater grassroots input attuned to local needs and interests. He also hired Republican-leaning staff, including former Boeing executive Chris Hansen as chief lobbyist, who along with Novelli and Mike Naylor (a former John Deere and AlliedSignal executive) orchestrated AARP's position on Medicare Part D. They then worked closely with Republican leaders to pass it.

According to advocates for universal single-payer coverage and others, passage of the 2003 law potentially marked the beginning of the end for publicly-financed Medicare and clouded the future of employer-provided coverage. AARP played a crucial role, much like today in the debate over health care reform. It's siding with free-market ideologues destroys its credibility as an advocate for seniors.

AARP's Support for Obamacare

Its initiative Health Action Now calls "this crucial moment (the) opportunity of a lifetime to fix our broken health care system. President Obama has promised health reform before the end of the year but we need to make sure that Congress follows through."

It asks individuals to email "decision makers" about the the health care crisis and concludes:

"America needs you to take action to ensure that everyone has a choice of health care they can afford. I urge you to commit to working on a bipartisan basis to pass legislation that will provide all Americans with affordable health care choices and strengthen Medicare and improve long-term care services."

Based on other public and internal messages, it subtly endorses hundreds of billions of Medicare cuts over the next decade as a first step toward ending Washington's responsibility entirely by shifting the obligation to states that, in turn, will force their residents to bear the burden through higher taxes, on their own, or for those who can't

afford it, get no coverage when they most need it. That's Obamacare's promise, the one AARP endorses with thousands of its members dropping their memberships from an organization mindless of their interests.

On its Health Action Now web site, AARP headlines "Myths vs. Facts (saying) Don't Let the Myths About Health Care Reform Scare You," then follows with misinformation and outright distortion of the facts by claiming:

- Obamacare won't ration care;

Fact check:

- proposals call for hundreds of billions in cuts over ten years with near certain greater amounts to follow;
- billions in waste will be eliminated;

Fact check:

- the above cuts will eliminate essential services, thus assuring less care, not more;
- lower drug prices;

Fact check:

- no mandate exists to cut them, just a non-binding promise on existing products and none whatever on new ones;
- "the so-called 'public plan' option (will) give American consumers choice if they can't find affordable, quality coverage in the private insurance market;

Fact check:

- most people won't qualify for a public option, and the one discussed will provide fig leaf cover for a weak and ineffective plan, not high-quality care for its recipients;
- Obamacare guarantees "all Americans a choice of health care plans they can afford;"

Fact check:

- choices will offer poor options, not quality care;
- reform plans "will NOT give the government the power to make life or death decisions for anyone regardless of their age;"

Fact check:

- hundreds of billions in Medicare cuts and restricted expensive treatments will do it for them;
- “Health care reform will help ensure doctors are paid fairly so they will continue to treat Medicare patients;”

Fact check:

- doctors already are unpaid and \$200 billion in new cuts are proposed;
- “None of the health care reform proposals being considered by Congress would cut Medicare benefits or increase your out-of-pocket costs for Medicare services;”

Fact check:

- Obamacare assures both;
- “Health care reform will reduce costly, preventable hospital readmissions, saving patients and Medicare money;”

Fact check:

- less care assures more illness, not less, and higher costs to be borne by recipients;
- “Rather than weaken Medicare, health care reform will strengthen the financial status of the Medicare program;”

Fact check:

- proposed cuts, along with new ones, will weaken and eventually destroy Medicare as well as other social safety net protections because Washington prioritizes banker bailouts, other corporate subsidies, trillion dollar defense budgets, militarizing America, and servicing growing hundreds of billions in debt obligations;
- “The President and Congress have committed to producing legislation that will be paid for so it won’t saddle our children and grandchildren with debt;”

Fact check:

- growing debt obligations place a lifetime burden on future generations to pay for them; and
- “If we do nothing to fix health care, families with Medicare or employer-based health coverage will likely see their premiums nearly double in the next seven years;”

Fact check:

— private insurers are assured unrestricted freedom to raise rates and will take full advantage as they've always done.

Nowhere under "Myths vs. Facts" does AARP suggest the only real reform solution that's off the table and undiscussed by the administration, Congress, the major media, or by organization officials as a fundamental human right - universal single-payer coverage assuring everyone in, nobody out. Instead, Washington, in cahoots with powerful providers and AARP, highjacked the process for greater future profits by charging more, providing less, making a dysfunctional system worse, and cheating growing millions with promises they know are hollow.

It's become traditional at AARP, cashing in at members' expense after advocating to "improve the quality of their lives." Will more dropouts follow over concerns about its betrayal? Very likely as Washington steamrolls toward an end of year resolution that will erode health care coverage for most Americans and deny it entirely to millions under the mantle of reform and AARP's endorsement. It's tradition continues.

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