



Advocacy. Action. Answers on Aging.

September 20, 2011

The Honorable Patty Murray
Co-Chair
Joint Select Committee on Deficit Reduction
United States Senate
Washington, DC 20510

The Honorable Jeb Hensarling
Co-Chair
Joint Select Committee on Deficit Reduction
U.S. House of Representatives
Washington, DC 20515

Dear Senator Murray, Congressman Hensarling and Members of the Joint Committee:

As your Joint Committee works to complete a deficit reduction plan, the National Association of Area Agencies on Aging (n4a), which represents 629 Area Agencies on Aging (AAAs) and 246 Title VI Native American aging programs in the U.S., urges you to protect and maintain the capacity of programs that help older Americans get the support they need to age successfully at home and in their community.

n4a believes the nation can and should reduce the deficit over time through a balanced approach that includes budget savings from increases in revenues and thoughtful, targeted reductions in spending when and where necessary. Any plan approved by the Joint Committee must protect those in greatest need, both socially and economically, by fairly balancing revenues and spending, protecting low-income Americans and, ultimately, taking no actions that increase economic vulnerability or poverty. With this in mind, n4a asks the members of the Joint Committee to consider the following key points:

Medicaid: Medicaid is a vital safety net of critical health and long-term services and supports services for low-income older Americans. Undermining or draining Medicaid of resources will put some of our nation's most vulnerable older adults in harm's way.

- We urge the Joint Committee to oppose proposals that would merely shift costs to consumers and states, reducing access to care. We urge you to oppose devastating block grant proposals, blended matching rates, and efforts to repeal the Maintenance of Effort provisions in the Affordable Care Act that would severely cut back Medicaid benefits such as home and community-based services.

Medicare: Older and disabled Americans still need the protection Medicare has so ably provided for the past 45 years. Keeping Medicare solvent means very little if the program does not provide the promised health coverage or financial protection to the people it serves.

- The fundamental protections of Medicare should be preserved. n4a urges the Joint Committee to oppose Medicare voucher or premium support proposals that would simply

shift costs on to beneficiaries. Additionally, we oppose any changes to Medicare that would cut benefits or raise beneficiaries' share of premiums.

- Proposals that reduce coverage and limit access to care will cause people to forgo necessary medical care, endangering their health and potentially creating the need for more acute and expensive interventions in the long term. Increases in cost-sharing have a far greater impact on those with lower incomes, who tend to be in poorer health. Proposals to raise cost-sharing for home health, for example, save federal dollars only in the very short term, but create immediate consequences for frail elders and drive higher health and long-term care costs in the long run.
- We urge the Joint Committee to resist increasing the age of Medicare eligibility from 65 to 67. While such a proposal would save the federal government money, it would shift costs to most of the 65 and 66-year-olds who would lose Medicare coverage, to employers that provide health coverage for their retirees, to Medicare beneficiaries, to younger people who buy insurance through the new health insurance exchanges and to states. It has been estimated that the increased state and private-sector costs would be twice as large as the net federal savings.

Health Care Reform: The Affordable Care Act (ACA) needs to be given time to work. n4a believes ACA provisions will help improve access, quality and coordination of health care services while reducing costs.

- The ACA includes new initiatives that would drive savings from Medicare, Medicaid and the entire health sector. We need to let the ACA rein in health care costs, while simultaneously improving the quality of care. It also provides many opportunities to expand home and community-based services, and strengthen and promote greater efficiency in Medicaid. n4a also strongly supports the ACA's prevention programs, like the Prevention and Public Health Fund, which can, in part, be used for evidence-based disease prevention and health promotion programs for older adults (such as chronic disease self-management programs) that further reduce unnecessary health care expenditures.
- We urge the Joint Committee to allow implementation efforts of the CLASS program to proceed without disruption. CLASS, a voluntary long-term care insurance program, would provide a much-needed daily cash benefit to those who qualify, which would help older adults purchase in the private market the long-term services and supports they need to age in place longer and more safely.

The Administration should be given the chance to make necessary adjustments to CLASS to ensure the program's success, for both the important long-term care policy improvements that CLASS represents, as well as its deficit-reducing effect: the Congressional Budget Office estimates that CLASS will reduce the federal deficit by approximately \$80 billion over the next 10 years.

Social Security: Social Security did not contribute to the deficit, and therefore it should not be cut to reduce a deficit it did not cause. Given its importance to millions of Americans, changes to Social Security should only be made to strengthen the program and its solvency and should not reduce the economic security of current and future beneficiaries.

- Social Security operates from a dedicated self-funding stream, and it is projected to be fully solvent until 2036. While some adjustments will need to be made to extend Social Security's solvency even farther into the future, it should not be sacrificed in the name of deficit reduction.
- Social Security essentially is our nation's retirement program for older adults, but it also provides benefits for disabled workers, their families and millions of children. These essential life protections must not be compromised. With the decline of employer-sponsored pensions and the hit personal retirement plans took in the recession, older adults increasingly depend on Social Security benefits in their final years.
- Given the importance of Social Security benefits to retirees' economic health, the Joint Committee should not tinker with the cost-of-living adjustments that are a key component of that security. Cuts to Social Security's cost-of-living adjustments, or a switch to using the chained CPI-U for federal retirement programs including SSI, will lead to significant economic consequences for today's beneficiaries and future generations.

Discretionary Programs: In today's economic environment, it remains vital to sustain the programs that help *save* the federal government money even as they help strengthen individuals, families and communities. These discretionary programs, such as home and community-based services for older Americans that avoid higher-cost services under Medicaid and Medicare, should continue to be invested in.

- We urge the Joint Committee to oppose any additional spending cuts to community-based services that would have an immediate and devastating effect on a host of community supports for older adults and their caregivers.

Cuts to programs such as the Older Americans Act, affordable housing, and assisted transportation programs that support older adults would create longer waiting lists for essential supports, shutter innovative and cost-effective local programs, and strand millions of seniors without a needed ride to the doctor, a home-delivered meal or the in-home supports that allow them to live independently.

- Any "savings" recouped from cuts to programs that allow older adults to stay healthier and more independent would likely pale in comparison to the added costs that would result from premature nursing home placement for seniors who find they can no longer stay in their homes and communities. Cuts would also place greater financial strains on family caregivers of older adults and drive higher medical costs due to poorer nutrition and health, increased falls and other avoidable crises.

- In the event of a sequestration, the Older Americans Act discretionary programs are not protected by the low-income exception, despite the facts that they serve our nation's most vulnerable older adults, most of whom are low-income.

We recognize the need to address our nation's long-term fiscal challenges and appreciate the difficult task you face as members of the Joint Committee. At the same time, we feel strongly that your efforts should be balanced between new revenue and spending cuts where necessary, and recognize the value of programs that allow older Americans to age in place, and that help avoid higher-cost services under Medicaid and Medicare. Thank you for considering our views.

Sincerely,

A handwritten signature in cursive script that reads "Sandy Markwood".

Sandy Markwood
Chief Executive Officer

cc: Senators John Kerry, Max Baucus, Jon Kyl, Patrick J. Toomey and Rob Portman, and Representatives Dave Camp, Fred Upton, Chris Van Hollen, James E. Clyburn and Xavier Becerra.