



advocacy | action | answers on aging

**National Association of
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September 20, 2017

The Honorable Mitch McConnell, Majority Leader
U.S. Senate
Capitol Building, S-230
Washington, DC 20510

The Honorable Charles Schumer, Minority Leader
U.S. Senate
Capitol Building, S-221
Washington, DC 20510

Dear Majority Leader McConnell and Minority Leader Schumer:

On behalf of the National Association of Area Agencies on Aging (n4a), which represents the country's 622 Area Agencies on Aging (AAAs) and more than 250 Title VI Native American aging programs, we are writing to inform you and Members of the Senate of our opposition to the process for considering the Graham-Cassidy proposal to repeal and replace the Affordable Care Act (ACA), and to reject any plan to cap and cut the federal Medicaid program.

n4a's members serve older adults and caregivers in nearly every community in the nation, including those who will be adversely affected by the Graham-Cassidy proposal that rolls back critical ACA protections and block grants funding for Marketplace coverage. We also remain staunchly opposed to any proposal that would cap and cut Medicaid.

Due to the disproportionate and deeply concerning effects that this legislation would have on the country's older adult population, as well as the millions of people who would lose their Medicaid coverage under the Graham-Cassidy proposal, we strongly urge Senators to reject the approach and the policy outlined in Graham-Cassidy. Instead, we urge Senators to continue the transparent, thoughtful, bipartisan process that is already underway to make improvements to, and preserve the protections in, the Patient Protection and Affordable Care Act (ACA). We also urge lawmakers to ensure that Medicaid is preserved and protected for vulnerable older adults.

Capping and Cutting Medicaid Will Hurt Older Adults and Families

As with previous ACA repeal proposals considered earlier this year, we remain deeply opposed to the approach that goes well beyond the parameters of the ACA to completely restructure Medicaid financing. **We are also dismayed by the willingness of lawmakers to push a proposal through the legislative process without a full analysis from the non-partisan Congressional Budget Office about the cost and coverage implications of Graham-Cassidy.** However, as previous CBO reports have detailed, a per-capita cap approach undermines the safety net nature of Medicaid, starves a life-saving program of needed federal resources and puts millions of consumers at risk of poorer health and, especially for older adults and people with disabilities, loss of personal independence. In addition, federal disinvestment and cost-shifting will not only jeopardize the health of, and access to, long-term care for millions of older adults, this strategy will also put Medicaid, states and consumers on a fiscally precarious path.

Nearly two-thirds of n4a members play a critical role in the provision of Medicaid services under state Home and Community-Based Services (HCBS) waiver programs. Therefore, as noted, we are strongly opposed to major structural changes to Medicaid under the Graham-Cassidy proposal. Shifting Medicaid from a federal-state cost-sharing arrangement to a per-capita cap structure could severely limit, over time, a state's ability to keep up with demand and the rising costs of providing care. It is simply untenable that states will be able to absorb the federal cuts to Medicaid without jeopardizing essential services for economically and medically vulnerable older adults who receive optional HCBS waiver services under Medicaid.

Of the 17.4 million people who currently receive Medicaid long-term services and supports (LTSS), nearly seven million people are age 65 and over. A per-capita cap structure for Medicaid could jeopardize the health of these adults just as needs and costs are increasing with a rapidly increasing older adult population. Additionally, we are opposed to the approach that Graham-Cassidy takes to end the enhanced federal matching percentage (FMAP) for innovative long-term care (LTC) rebalancing initiatives—such as the Community First Choice (CFC) Program. Eliminating efforts that are encouraging states to adopt and expand cost-effective home and community-based services options for Medicaid LTSS will ultimately either increase state costs or further undermine care and coverage for the most vulnerable populations.

The formula to determine appropriate federal matching rates within the per-capita cap structure is also flawed and only deepens our concerns about the proposal. The formula proposed in Graham-Cassidy is especially problematic for older adults receiving Medicaid long-term services and supports. The formula's insufficient coverage of health care costs would further shift costs to states and, and fails to account for the increased care costs for an aging population. The population of "very old" adults is guaranteed to increase as the population ages, but as-written, the per-capita cap structure does not account for this demographic reality.

We believe that a per-capita cap structure will ultimately shift billions of dollars in Medicaid costs to states, which would result in reduced coverage and benefits for millions of Americans. If the cap doesn't keep up with states' real costs, states will be forced to reduce benefits, limit eligibility, increase cost-sharing, cut provider rates or find other solutions that threaten older adults' access to services and quality of those services. Any of these outcomes alone would leave vulnerable older adults struggling to live independently and safely in their homes and communities without critical HCBS, which would only drive up more expensive Medicaid nursing home care costs, create tremendous burdens on family caregivers and put older adults' lives at risk.

Again, we are deeply dismayed to see that Senate leaders are willing to divert from an already underway bipartisan, thoughtful and transparent process to improve the ACA and leave Medicaid cuts off the table. We strongly encourage Senate lawmakers to not only reject the approaches taken in Graham-Cassidy, but to continue the bipartisan approach to find common ground on some of the country's current health care challenges. **We encourage Senate leadership and lawmakers to ensure that any proposals to replace the Affordable Care Act better reflect the aging of our population and the vital role that Medicaid plays in long-term care for our nation's older adults and people with disabilities.**

Thank you for considering our concerns on these critical issues.

Sincerely,

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

Sandy Markwood
Chief Executive Officer

cc:
Members of the U.S. Senate