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# Assembly Aging and Long-Term Care Committee

Informational Hearing on Consequences of Federal Policy Changes on California's Seniors November 9, 2017

Autumn Campbell, Director, Public Policy and Advocacy



# Goals of the Administration and Congress (Themes)

- Deep cuts/reforms to federal Mandatory Programs targeted at low-income beneficiaries
  - Medicaid, Medicare, SSI, SSDI, SNAP, TANF
- Deep cuts to Non-Defense Discretionary (domestic) programs
- Tax cuts targeted toward high-income earners and corporations
- Ambitious assumptions about economic growth necessary to balance budget in 10 years



# Health Care Reform and Older Adults

# **Threats to Medicaid**

- Per-Capita Caps/Block Grants
- Congressional Budget Resolutions cutting Medicaid >\$1 trillion/10 years (~25%)
- Administration Budget Request cutting Medicaid >\$600 billion/10 years
- Administrative intent to approve state waiver requests that would allow states to implement work requirements, community service requirements, charge co-pays, restrict services (medical transportation), etc.
- What does this mean for older adults?



# Why is Medicaid Important to Older Adults?

- 6 million low-income seniors and 10 million people with disabilities receive services and supports through Medicaid (=62% of Medicaid spending)
- Two-thirds of seniors in nursing homes rely on Medicaid
- Medicaid driving state rebalancing initiatives toward HCBS

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## Proposals to Caps/Block Grant Medicaid Shift Costs and Risks to States

Current Medicaid Financing System vs. Capped Medicaid Funding (*in millions*)



# Medicaid cuts and caps hurt US

1 in 5 Americans relies on Medicaid to stay healthy and independent. Medicaid cuts and per capita caps mean less care, lost jobs, and greater hardships for families, especially in rural areas.



#### **Congress: Don't cut and cap Medicaid**

#### **Supporting Organizations**

· AARP · ACCSES · ADAPT · AEL-CIO AFSCME Alliance for Aging Research Alliance for Retired Americans Allies for Independence/Advance CLASS
 Autism Society of America AMDA - The Society for Post-Acute and
 Autistic Self Advocacy Network Long-Term Care Medicine American Academy of Hospice and Palliative Medicine American Academy of Pediatrics American Association of Child & Adolescent Psychiatry American Association of People with
 Caring Across Generations Disabilities American Association of Service Coordinators Gynecologists American Diabetes Association American Foundation for the Blind American Geriatrics Society American Medical Association American Music Therapy Association Association, Inc. American Psychological Association American Society on Aging

 The Amputee Coalition The Arc of the United States Association for Gerontology and Human
 Council for Exceptional Children Development in Historically Black Colleges and Universities (AGHDHBCU) Association of Jewish Aging Services Association of University Centers on Disabilities (AUCD) Baystate Health Bazelon Center for Mental Health Law
 Families USA B'nai B'rith International Brain Injury Association of America CareSouth Carolina, Inc. The Catholic Health Association of the
 Henry Ford Health System United States (CHA) Center for Public Representation Center to Advance Palliative Care Children and Adults with Attention Deficit Hyperactivity Disorder (CHADD) Christian Reformed Disability Concerns Ministry Christopher and Dana Reeve Foundation + Criastal Mertical

 Community Catalyst Disability Concerns Ministry (Reformed
 National Alliance for Caregiving Church in America) Disability Rights Education and Defense
 National Association for Children's Fund Disciples Home Missions Division for Early Childhood of the Council for Exceptional Children (DEC) 

• National Association of Community Easterseals Feminist Majority Foundation · First Focus Campaign for Children Foundation for Healthy Generations GBMC HealthCare System Human Impact Partners Center for Elder Care & Advanced Illness
 Institute for Healthcare Improvement LeadingAge Lupus Foundation of America Lutheran Services in America · Lutheran Services in America - Disability Network Medicare Rights Center MomsRising.org National Academy of Elder Law

 National Adult Day Services Association
 National Down Syndrome Congress Conference of Major Superiors of Men
 National Advocacy Center of the Sisters
 National Health Law Program of the Good Shepherd National Alliance on Mental Illness **Behavioral Health**  National Association of Area Agencies
 Parent to Parent USA on Aging Health Centers National Association of Nutrition and Aging Services Programs (NANASP) National Association of School Psychologists National Association of Social Workers INASWI National Association of State Directors of Special Education National Association of State Head Coordinators Center fu cuere van de contraction of North America American Baptist Home Mission Societies - Center for Law and Social Policy (CLASP) - The Jewish Federation of North America - The Jewish Federation of North America (NCLD) National Committee to Preserve Social Security and Medicare National Consumer Voice for Quality Long-Term Care National Council for Behavioral Health (VNAA) National Council of Churches National Council on Aging

National Council on Independent Living

(NCIE)

 National Hispanic Council on Aging National Multiple Sclerosis Society National Patient Advocate Foundation NETWORK Lobby for Catholic Social Justice • PHI Prevention Institute Providence St. Joseph Health Roanoke Chowan Community Health Center Service Employees International Union + Sisters of Our Lady of Charity of the Good Shepherd, US Provino Social Work Hospice & Palliative Care Network + TASH . Union for Reform Judaism The United Methodist Church - General Board of Church and Society The University of Arkansas for Medical Sciences Visiting Nurse Associations of America

National Association of Area Agencies on Aging

Attorneys



# FY 2018 Federal Appropriations

#### Most of the Federal Budget Goes Toward Defense, Social Security, and Major Health Programs



Source: Congressional Budget Office



# Federal Budget Snapshot

<u>In FY 2016...</u>

- Total Federal Spending = \$3.9 Trillion
- Total Non-Defense Discretionary Spending = \$600 Billion (~15.4 percent)
- Total Budget for ACL = ~\$2.0 Billion
- Total ACL Spending as percentage of Federal Budget = .049 percent

# Status of FY 2018 Funding Bills

- Congress and Administration share goal of slashing domestic (NDD) discretionary spending
- <u>Currently: CR through December 8</u>
- House Labor-HHS bill:
  - Topline is \$5 billion lower than FY 2017
  - Rejects many cuts proposed by Administration
  - Flat-funds most OAA and ACL programs
  - Eliminates SHIP (HICAP)
  - Cuts SCSEP, Elder Justice
- Senate Labor-HHS Bill
  - Flat-funds all OAA/aging programs
  - REJECTS House cuts to SHIP (HICAP), SCSEP, Elder Justice

# Advocacy WIN in House!

- Several amendments to increase OAA funding
- Introduced by Members of both parties
  - Reject SHIP (HICAP) Cut (\$47.2 million)
  - Increase all core OAA Title III programs to authorized amount (supportive services, nutrition, family caregiver) (~\$51 million)
  - Increase OAA Title III B Supportive Services to authorized amounts (\$14.2 million)
- Two made it to House Floor
- OAA Title III B amendment passed by voice vote!
  - First significant increase for OAA III B funding since sequestration

# **FY 2018 Appropriations**

- Interest in budget deal is building; how will NDD caps fare?
- Need to push for highest possible levels in each chamber's bill (e.g., take House level for III B, Senate's on SHIP (HICAP), SCSEP!)
- May require another continuing resolution (CR), at least through December
- Current tax cut debate could derail bipartisan momentum

### Current Trajectory: Vision of Recent Congressional Budget

### Step One:

 Tax breaks targeted toward high-income earners/corporations

...via FY 2018 Budget Reconciliation

#### Step Two:

- Deep cuts to Non-Defense Discretionary (domestic) programs
- Deep cuts/reforms to Mandatory Programs targeted at low-income beneficiaries
- ...via FY 2019 Budget Reconciliation

## Key Aging Advocacy Messages

- Investments in domestic programs that keep older adults healthy and independent must be INCREASED not cut as America ages.
- Reject ANY budget proposal that would cut critical services to seniors and caregivers.
- Reject any health care reforms that would increase costs and cut coverage for older adults.
- Medicaid is critical to the health and well-being of older adults.
- How would federal cuts hurt CA seniors?



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#### Autumn Campbell Director, Public Policy and Advocacy acampbell@n4a.org

1730 Rhode Island Ave., NW Washington, DC 20036 202.872.0888 www.facebook.com/n4aACTION www.twitter.com/n4aACTION