



## CHALLENGES TO THE FUTURE OF MEDICARE, SOCIAL SECURITY, MEDICAID AND AGING SERVICES

The new Administration is expected to release its first proposed budget in March. Until the details are available we must express our hope that the President honors his campaign promises to protect Medicare and Social Security. From the positions of his Cabinet members, and proposals already being discussed in Congress, we are genuinely concerned.

**Process** The process being used to advance policy changes is part of the budget process known as “reconciliation”. Votes only require a simple majority; significant changes to important entitlement programs are likely to occur without the delay tactic of the filibuster that is a useful negotiating tool requiring 60 votes to pass the US Senate. Inclusion of entitlement reform in the budget process will allow those measures to pass the Senate with only 51 votes, all of which can come from the majority (Republican) party.

**Affordable Care Act (ACA)** – The Majority members in Both Houses of Congress and the Office of the President have committed to repealing the ACA. The advocates have demanded no repeal without a replacement bill at the same time. While we often think of the ACA as how uninsured people purchase insurance coverage, there are many policy provisions that are part of the ACA impacting those that are Medicare enrollees. We urge the continuation of ACA provisions that improved Medicare by:

- Eliminating co-pays for preventive services,
- Providing an Annual Wellness Visit
- Reducing drug costs by closing the coverage gap (donut hole); since 2010, Medicare enrollees have saved an average \$2,272 per person on prescription drugs.
- Improving care coordination; the Center for Medicare and Medicaid Innovation was created in the ACA to test new ways of delivering care intended to improve quality while reducing the rate of growth in Medicare spending.
- Stabilizing the Medicare Trust Fund; while benefits expanded, cost savings resulted in improved solvency of the fund.
- Supporting Home & Community Based Services as an alternative to nursing home care.
- Funding Chronic Disease Self-Management and Falls Prevention programs.

**Older Americans Act (OAA)** – The OAA provides the funding that County Offices for Aging rely upon to provide services for older residents. Even though there is increased need based on the aging of the population, funding has not increased. Advocates are requesting a 12% increase in OAA programs. Some programs never recovered from the loss of funding in the budget sequester cuts. Additional years of sequestration were postponed, but the sequestration moratorium expires for the federal fiscal year starting in October 2017. If the cuts are part of a budget balancing mechanism, we urge that parity be maintained between defense and non-defense spending.

**Medicare** – Proposals posed as ways to “help shore up Medicare for future generations” are actually cuts, some impacting current Medicare enrollees. We oppose proposals that:

- Replace program benefits with premium support, also known as coupons or vouchers, giving each beneficiary a fixed-dollar payment to cover part of the cost of health insurance and enrollees would pay the difference between the voucher and the plan's premium. With the lowest utilizers using vouchers, traditional Medicare's risk pool would be negatively impacted, further compromising the fiscal stability of the Medicare Trust Fund.
- Increase the age of eligibility, paralleling the full retirement age under Social Security, leaving 65-67 year olds uninsured by Medicare.
- Increase out-of-pocket costs by establishing a single (Combined Part A & B) deductible as well as uniform 20 percent coinsurance, estimated to raise out-of-pocket costs for 35% of Medicare beneficiaries.
- Shift costs from government to individuals, so that beneficiaries pay a larger percent of Medicare costs through increased premiums, deductibles and co-payments. Current costs to the average enrollee average 22% of Social Security income. Proposals under consideration could cost enrollees almost 50% of their Social Security.

**Medicaid and Food Stamps** – These vitally important entitlement programs guarantee that everyone who meets the income guidelines receive benefits. For many older NYers, Medicaid is the only source of payment for long term community home or nursing home care. Proposals would restructure from an entitlement to a block grant, which could eliminate important consumer protections and coverage guarantees. Additionally, federal funds to states in block grants are not projected to keep up with need, and this is a cost shift from federal funds to the state budget. (Last year, the House proposed a \$913 billion cut over 10 years.) The state would be allowed to cap enrollment or institute waiting lists, eliminating the guarantee of coverage.

**Social Security** – there are many threats to the promise of Social Security. House Ways and Means Social Security Subcommittee Chairman Sam Johnson has introduced a bill that he claims would “save” Social Security — but its savings would come entirely from cutting vital benefits. Under his bill, 70% of beneficiaries would see an average 27% reduction in benefits. We will oppose efforts to:

- Raise the age for full benefits to age 69 and delay the option for early benefits.
- Privatize the benefits to allow individuals to invest their premium on Wall Street
- Change the Cost of Living Adjustment to the Chained CPI, representing a cut in benefits for current recipients
- Further reduce Social Security Administration services/office hours

**STATE  WIDE**

**New York StateWide Senior Action Council, Inc.**  
275 State Street, Albany, NY 12210 • (518) 436-1006 • Fax (518) 436-7642  
[www.nysenior.org](http://www.nysenior.org)

2/24/17