



Leadership Council of Aging Organizations

James Firman, Chair

September 25, 2017

Dear Senator:

On behalf of the undersigned members of the Leadership Council of Aging Organizations (LCAO), and the tens of millions of older Americans we represent, we urge members of the Senate to oppose the Graham-Cassidy amendment to H.R. 1628 which would repeal critical provisions of the Affordable Care Act (ACA) and impose harsh Medicaid per-capita caps. We are deeply concerned that the Graham-Cassidy bill would significantly increase the number of uninsured Americans. The bill would also increase health care costs for millions more, especially older adults with modest incomes or pre-existing conditions.

We urge Senators to commit to a bipartisan, open process, following regular order, with committee markups that provide opportunities to consider amendments to improve the bill. We fear that consideration of the Graham-Cassidy bill would contradict the Senate's long history of engaging in a deliberative process. An important aspect of this Senate tradition is that its members have acted on health care legislation only after gaining a clear understanding of how proposals would affect Americans and, in the current instance, an estimated one-sixth of our nation's economy. Reports that Senators may rush to vote on the far-reaching Graham-Cassidy bill next week, without non-partisan expert analysis on how many of their constituents would lose their health insurance and how much their out-of-pocket costs would increase, are deeply concerning and would set an alarming precedent.

For example, according to an earlier Congressional Budget Office (CBO) analysis, provisions in this bill identical to previous attempts to repeal and replace would likely increase the number of uninsured Americans by 15 million next year. Further, the loss of approximately \$300 billion in federal funding when proposed block grants expire in 2027 could have the same impact as repealing the ACA with no replacement plan—causing nearly 32 million Americans to lose health coverage, according to prior CBO estimates.

LCAO strongly opposes several provisions of the Graham-Cassidy proposal. The bill would fundamentally restructure the Medicaid program by instituting Medicaid per capita-caps—which have nothing to do with the Affordable Care Act. Approximately 7 million vulnerable older adults rely on Medicaid, many for long-term services and supports provided at home and in nursing homes. Medicaid covers two in three nursing home residents. With nursing home care often costing about \$100,000 a year, older adults quickly run through their life savings before turning to Medicaid.

Medicaid home- and community-based services (HCBS) enable older adults to stay in their own homes and with their families. They are cost-effective, and they help struggling family caregivers keep loved ones together. But HCBS are at greatest risk of major cuts because they are optional under Medicaid, while nursing home care is mandatory. On average, Medicaid dollars support nearly three individuals with HCBS for every one person in a nursing home. The Graham-Cassidy bill cuts HCBS directly by repealing Community First Choice (CFC) funding, further reducing access to cost-effective services that help keep families together.

Federal cuts to Medicaid brought about by per-capita caps would likely drive states to scale back benefits and eligibility, impose waiting lists, implement unaffordable financial obligations, or otherwise restrict access to needed care. Alarming, the Graham-Cassidy bill would make drastic long-term cuts to Medicaid by dialing down the growth rate in 2025, just as boomers start turning age 80 and are far more likely to need expensive long-term care. According to a recent AARP Public Policy Institute analysis, the bill could cut \$3.2 trillion from Medicaid by 2036.

Proposed Medicaid cuts would also result in significant job losses and reduced wages for health and long-term care workers. Many of the estimated 4.4 million nursing facility and home care workers Medicaid pays for would lose their jobs or have their salaries cut, further worsening current direct care worker shortages.

Millions of older adults nearing retirement age also rely on the ACA's coverage expansions and its premium and cost-sharing supports, including through expansion Medicaid and the Marketplaces. By repealing and block granting federal funding for these programs, the Graham-Cassidy proposal undermines the availability of the very consumer protections that make health coverage more affordable. According to estimates, the Graham-Cassidy bill cuts \$239 billion in federal funding for expansion Medicaid and the Marketplaces between 2020 and 2026, representing a sizable and untenable cost shift to states.

After 2026, the Graham-Cassidy bill would end all low-income assistance and the Medicaid expansion, dramatically increasing both the size of the cuts and the ranks of Americans without insurance. Further, the bill abruptly ends these programs in 2027, producing a sudden cliff that would create significant problems for expansion states and consumers. The Medicaid expansion provides health security in 32 states to nearly 12 million previously uninsured Americans, including about 1.6 million older adults aged 50-64.

Through changes to the individual market, the Graham-Cassidy bill would dramatically increase costs and make coverage less available to individuals ages 50 to 64. Under the bill's block grants, states could redefine the essential benefits covered in their state as well as age rating factors. This could involve allowing insurance companies to charge people with pre-existing conditions significantly higher rates or impose an "age tax" on older adults.

Finally, the Graham-Cassidy proposal to repeal the Prevention and Public Health Fund would devastate the Centers for Disease Control and Prevention budget and wreak havoc on our nation's efforts to reduce chronic disease rates, immunize our children, and prepare the public health system to address infectious disease outbreaks and other threats. For older adults, cost-effective programs for falls prevention, Alzheimer's disease prevention, and chronic disease management would be eliminated.

We strongly urge that you oppose the Graham-Cassidy bill, which would dramatically affect the health and long-term care of millions of older Americans and their families. LCAO stands ready and willing to work with the House and Senate to craft and pass effective, responsible solutions that improve health insurance coverage and reduce out-of-pocket costs, not eliminate coverage and increase costs.

Sincerely,

AARP

AFSCME

The Aging Life Care Association

Alliance for Aging Research

Alliance for Retired Americans

AMDA – The Society for Post-Acute and Long-Term Care Medicine

American Association of Service Coordinators (AASC)

American Federation of Teachers

American Foundation for the Blind (AFB)

American Geriatrics Society (AGS)

American Society on Aging (ASA)

Asociacion Nacional Pro Personas Mayores (ANPPM)

Association of Jewish Aging Services (AJAS)

B'nai B'rith International

Caring Across Generations

Center for Elder Care & Advanced Illness

Center for Medicare Advocacy

Community Catalyst

Easterseals

ElevatingHOME

Families USA

The Gerontological Society of America (GSA)

International Association for Indigenous Aging

Justice in Aging

LeadingAge

Lutheran Services in America (LSA)

Medicare Rights Center

National Academy of Elder Law Attorneys (NAELA)
National Active and Retired Federal Employees Association (NARFE)
National Adult Protective Services Association (NAPSA)
National Adult Day Services Association (NADSA)
National Alliance for Caregiving (NAC)
National Association for Home Care & Hospice
National Association of Area Agencies on Aging (n4a)
National Association of Nutrition and Aging Services Programs (NANASP)
National Association of Social Workers (NASW)
National Association of State Long-Term Care Ombudsman Programs (NASOP)
National Caucus and Center on Black Aging, Inc. (NCBA)
National Committee to Preserve Social Security and Medicare
National Consumer Voice for Quality Long-Term Care
National Council on Aging (NCOA)
National Hispanic Council on Aging (NHCOA)
National Senior Corps Association (NSCA)
Pension Rights Center
PHI
SAGE (Services and Advocacy for GLBT Elders)
Service Employees International Union (SEIU)
Social Security Works
Women's Institute for a Secure Retirement (WISER)