

Congress Tax Proposals Endanger Health Care for Older Adults

Republican leadership in both the Senate and House are pushing forward on tax proposals that directly endanger health care for older Americans. Current plans call for enormous tax cuts for the wealthiest Americans and large corporations that would decrease revenues by \$1.5 trillion on top of other changes that make middle and lower-income Americans pay for tax breaks for the wealthy. Cuts to Medicaid, Medicare, and other programs on which older adults rely will pay for the huge revenue loss. In other words, tax cuts for the wealthiest will result in health care cuts for the most vulnerable. Here are just some of the ways these proposals jeopardize seniors' health and well-being:

1. 13 Million Americans Will Lose Coverage

The Senate GOP's tax plan would repeal the ACA's health coverage mandate and result in [13 million fewer people having health coverage](#), including 5 million fewer people who will enroll in Medicaid coverage they are eligible for. The financial assistance the federal government would have paid to keep these 13 million low-income Americans insured would directly pay for the tax cuts that benefit the wealthiest.

2. Older Adults Will No Longer Have Affordable Coverage Options

If the ACA health coverage mandate is repealed, younger, [healthier individuals are likely to drop coverage](#). Smaller risk pools comprising mostly individuals with greater health care needs will lead insurers in the ACA Marketplaces to increase premiums. More than [3.3 million adults over age 55](#) enrolled in 2017 coverage through the Marketplace, and their coverage will be at risk. Some insurance markets may collapse altogether, leaving those who need coverage the most without any options.

3. Fewer Low-Income Seniors Will Be Able to Rely on Medicaid for Nursing Home and Community-based Care

The House's budget proposal makes clear that if the tax cuts are enacted the resulting [\\$1.5 trillion loss in revenue will be used to justify slashing federal Medicaid spending](#) through per capita caps or block grants, either in this bill or in the future. Such drastic cuts would jeopardize health and long-term care for the more than [6 million low-income seniors](#) who rely on Medicaid.

4. Medicare Beneficiaries Would Face Increased Costs

The \$1.5 trillion revenue cut is similarly likely to be used to [justify Medicare cuts](#). The Medicare cuts outlined in the House's budget proposal would shift costs to beneficiaries by converting Medicare to a voucher or premium-support system, raising the eligibility age to 67, increasing cost-sharing for services, and raising income-related premiums.

5. Medicare Spending Could Automatically Be Cut by \$25 Billion in 2018

Because the GOP tax bills increase the deficit, [Medicare and other programs that benefit older adults would automatically face immediate cuts under sequestration](#). Even if Congress waives the rule that mandates sequestration, Medicare cuts are clearly forthcoming.

6. Older Adults Would Have More Difficulty Affording High Out-of-Pocket and Long-Term Care Expenses

The House GOP's bill [eliminates the medical expense tax deduction that provides tax relief to millions of older Americans](#) with high out-of-pocket and long-term care costs and modest incomes. Out-of-pocket health care costs are a [significant financial burden](#) for many older adults, especially those with chronic conditions and those who need long-term services and supports. Elimination of this deduction threatens these seniors' ability to afford needed services Medicare does not cover, as well as their financial well-being, and will result in them depleting their personal resources more quickly and turning to Medicaid to cover their long-term care costs.

7. Revenue for State and Local Health Care Services Will Fall

The expected cuts to federal Medicaid funding will severely strain state budgets, forcing states to restrict Medicaid eligibility and cut services. These effects will exacerbate the [loss in state and local tax revenues](#) resulting from the tax bill's changes to federal deductions for these taxes, making it more difficult for states to fund Medicaid and for counties and cities to fund other health programs.