n4a Federal Aging Policy Update

o4a Annual Conference for Aging and Disability Resource Networks
Columbus, OH

Autumn Campbell, n4a

November 1, 2018
New Orleans n4a 2019

44th Annual Conference & Tradeshow

Save the Date! July 27-31, 2019
An Aging Nation

Over the next two decades, the proportion of the U.S. population over age 60 will dramatically increase as the baby boomers reach this milestone. By 2030, more than 70 million Americans will be 65 and older, twice the number in 2000.¹

By 2030, 1 in 5 Americans will be 65 or older.
Figure 4: Persons Age 65 and Over as a Percentage of Total Population, 2016

(Source: U.S. Census Bureau, Population Estimates)
Figure 5: Percent Increase in Population Age 65 and Over, 2006 to 2016

(Source: U.S. Census Bureau, Population Estimates)
90% of adults age 65 and older say they hope to stay in their homes for as long as possible.\(^2\)

But to do so, many people will eventually need some level of service or support to live safely and successfully in their home or community.
Agenda

• Federal Budget and Funding for Aging Programs
• Health Care
• Older Americans Act Reauthorization
• A Look Into the Crystal Ball
• What Can Aging Advocates Do?
• Questions?
Aging Policy Challenges

• **Lack of understanding**, acceptance among lawmakers, public of how huge this aging of the population is

• Many “priority” areas to craft effective aging policy!
  – E.g., many states still not rebalanced, few truly livable communities, treatment vs. wellness/prevention

• **Uncertainty about long-term financial stability** of key social safety net and social insurance programs

• **Short-term fiscal instability** regarding federal budget (appropriations)
Federal Budget and Funding for Aging Programs
Fast Facts about Federal Budget

• Budgets are visioning documents
• Not signed into law or binding
• Administration & Congress prepare separate budgets
• Reflect priorities of party in power
• Encompass revenue and spending priorities
• “Traditional” Process
  − President’s Budget (usually in February, but new Administrations are often late)
  − Congressional Budget (By April 15): sets top-line number and can establish “Reconciliation Instructions” for legislatively committees
  − Appropriations work begins in spring
Most of the Federal Budget = Defense, Social Security and Major Health Programs

Chart Courtesy of Center on Budget and Policy Priorities

- Net interest: 6%
- Defense Discretionary: 16%
- Non-Defense Discretionary: 16%
- Social Security: 24%
- Medicare: 14%
- Medicaid, CHIP, Exchange subsidies: 11%
- Other entitlement programs: 13%

Source: Congressional Budget Office
Federal Budget Snapshot

In FY 2017...

- Total Federal Spending = $4 Trillion
- Total Non-Defense Discretionary Spending = $610 Billion (~15.25 percent)
- Total Older Americans Act Spending = ~$2 Billion
- Total OAA Spending as percentage of Federal Budget = .05 percent
A Look Back:
Budget Battles, 2011-2018

• Recession, changes in politics drove louder conversation about federal debt (and deficit)
• July 2011: Budget Control Act = caps, threat of sequestration, Super Committee, debt ceiling relief
• March 2013: Sequestration
• October 2013: Shutdown
• Series of two-year budget deals (FY14-15/FY16-17), partially offset sequester/caps
• Jan-Feb 2018: Two shutdowns
• February 2018: Third two-year budget deal (FY 18-19), partially offset sequester/caps
Six Years of Austerity in Non-Defense Appropriations

Non-defense discretionary funding in 2016 dollars (billions)

- 2010: $596
- 2011: $535
- 2012: $519
- 2013: $481
- 2014: $507
- 2015: $502
- 2016: $493

Notes: All amounts exclude funding for disasters, emergencies, program integrity, and Overseas Contingency Operations. The 2010 level does not include any 2009 Recovery Act funds.

Source: CBPP analysis of data from the Congressional Budget Office and the Office of Management and Budget

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG
Revenues Don’t Cover Spending

Source: Congressional Budget Office, January 2017 budget projections.
Federal Revenues Lower, Debt Higher Than When Previous Tax Cuts Were Enacted

Percent of gross domestic product

Source: Congressional Budget Office
Trump Administration Budget FY 2019

- Deep cuts to Non-Defense Discretionary (domestic) programs (>40 percent/10 years) overall
- “Flat” funds most core OAA programs
- Cuts/eliminates critical domestic programs serving older adults (SCSEP, SHIP, SSBG, CDBG, CSBG, LIHEAP, Housing, Transportation)
- Guts Medicaid (states will limit HCBS)
- Repeals ACA (higher premiums, double uninsured rate among pre-Medicare population)
- Nutrition assistance eliminated for 1 million seniors
- Cuts SSDI for 6 million people over 55
...BUT Congress Is Where the Action Is

Theory:
- Budget resolutions passed by both chambers, agreed to; sets high-level spending limits
- Appropriators develop 12 bills, move through committee and to floor
- Everything done and signed by President by Sept. 30

Reality:
- After five CRs, two shut-downs and significant compromises, final FY 2018 funding passed in March 2018 (nearly six months into FY)
Bipartisan Budget Agreement for FY 2018-19 (February)

Highlights

- **Rejected major cuts** to domestic programs President requested in FY 18-19
- **Increased discretionary caps** (for defense and non-defense) by $300 billion over two years
- Included the CHRONIC Care Act (more on that later!)
- Closed the Part D Donut Hole in 2019
- Included $80 billion in disaster relief funding
- 10-year reauthorization of CHIP
- Funding for opioid response
What Happened in FY 2018? (March)

Older Americans Act BIG INCREASES!

- + $35 million for Title III B Supportive Services
- + $40 million for III C 1 Congregate Nutrition
- + $19 million for III C 2 Home-Delivered Meals
- + $5 million for III D Preventative Health
- + $30 million for III E National Family Caregiver Support Program
- + $4 million for Title VI Native American
- +$1 million for Title VII Ombudsman

[HUD Section 202 +$105 million, Service Coords +$90 mil]
FY 2018 Final Levels

Other Administration for Community Living

- **State Health Insurance Programs** preserved with $2 million increase to $49 million
- Elder Justice (APS) Initiative, 20% boost to $12 million
- Aging and Disability Resource Centers boosted 32% to $8 million
- CDSMP level at $8 million, Falls Prevention level at $5 million (Prevention and Public Health Fund)
- Lifespan Respite up 22% to $4.1 million
- Holocaust Survivors doubled to $5 million
FY 2018 Final Levels

Other Agencies, Proposed for Elimination

- OAA Title V Senior Community Services Employment Program level funded at $400 million (Dept. of Labor)
- Social Services Block Grant, $1.7 billion
- Community Services Block Grant, $715 million
- Low-Income Home Energy Assis, boosted $240 million to $3.6 billion
- Senior Corps, $202 million
- Community Development Block Grant, $3.24 billion, a boost of $235 million
What About FY 2019?

- Second year of bipartisan budget deal
- Republican leadership strategy on minibuses
- 9 of 12 bills passed in Senate; 7 of 12 bills passed in House
- Continuing Resolution (CR) until December 7 for rest
- SHOCKER: Labor-HHS Funding signed into law on Sept. 28
  - $855 billion funding bill contains $178 billion for Labor-HHS (including OAA/other Aging Programs)
  - First time in 22 years!
What About FY 2019?

Results:
• Preserves FY 2018 OAA increases, avoided any cuts or eliminations
• Make other small increases (OAA Title VI, meals)
• Included $5 million for Caregiver Corps demo
• Funding for RAISE Family Caregivers (300k) & Grandparents raising grandchildren ($300k)
• Increases funding for CSBG ($10 million) and LIHEAP ($50 million)

BUT: Next year (FY 2020) will be a tough budget year, as deep budget caps return!
Emerging Issues in Medicare/Medicaid
Figure 1

Characteristics of the Medicare Population

Percent of total Medicare population:

- 3+ chronic conditions: 66%
- Income below $24,150: 50%
- Savings below $63,350: 50%
- Cognitive/mental impairment: 31%
- Fair/poor health: 27%
- Functional impairment (2+ ADL limitations): 21%
- Under age 65 with permanent disabilities: 17%
- Age 85+: 13%
- Long-term care facility resident: 5%

NOTE: ADL is activity of daily living.
Social Needs Affect Health

In a survey of 1,000 physicians:

- 85% say unmet social needs directly leading to worse health
- 85% say social needs as important to address as medical conditions
- 80% not confident in their ability to address social needs

Figure 2
Social Determinants of Health

<table>
<thead>
<tr>
<th>Economic Stability</th>
<th>Neighborhood and Physical Environment</th>
<th>Education</th>
<th>Food</th>
<th>Community and Social Context</th>
<th>Health Care System</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Housing</td>
<td>Literacy</td>
<td>Hunger</td>
<td>Social integration</td>
<td>Health coverage</td>
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<td>Language</td>
<td>Access to healthy options</td>
<td>Support systems</td>
<td>Provider availability</td>
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<td>Social integration</td>
<td>Community engagement</td>
<td>Provider linguistic and cultural competency</td>
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<td>Vocational training</td>
<td>Support systems</td>
<td>Discrimination</td>
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<td>Higher education</td>
<td>Community engagement</td>
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<tr>
<td>Support</td>
<td>Walkability</td>
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Health Outcomes
Mortality, Morbidity, Life Expectancy, Health Care Expenditures, Health Status, Functional Limitations

National Association of Area Agencies on Aging
Medicare: New Opportunities Abound?

- Medicare largest federal health care program
- Health happens at home: 80 percent of health care costs are attributed to SDOH
- Traditionally, Medicare has not touched these factors
Medicare: New Opportunities Abound?

Emerging Opportunities for CBOs in Medicare

• CHRONIC Care Act (passed Feb. 2018)
• Medicare Advantage Call Letter for 2019
• Legislative proposals to add LTSS to Medicare

Challenges

• Not available for all beneficiaries
• Late notice for Medicare Advantage plans to implement this year
• Up to MA plans if they offer
Threats to Medicare

- Pressure of growth in mandatory spending on federal budget, tax cuts reduce available funds
- Premium support?
- Overall state of health care, instability in markets → effect on older adults not yet on Medicare? effect on Medicare?
- Lack of understanding about complexity
- Administrative? (plus, opportunities!)
But What About Medicaid?

- 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
- 39% of American children are covered by Medicaid (=21% of Medicaid spending)
- Overall, Medicaid covers nearly 80 million low-income Americans
- 15% Medicaid spending covers non-disabled low-income adults
Medicaid Threats

• States asking Centers for Medicare & Medicaid for waivers on work, other requirements

• No immediate threat from per capita caps or similar but...
  – Pressure on budget will bring it back
  – Elections: FY 2020 reconciliation if Republicans hold the House?

Also...many states still not rebalanced!
Another Medicaid Issue: MFP

Money Follows the Person

- Medicaid rebalancing program, transitioned over 88k people from institutional settings back to the community
- Bipartisan program with 12+ years of success; expired at the end of FY 2016
- States running out of MFP money—ramping down programs; losing infrastructure
- Bipartisan House/Senate bills to reauthorize: EMPOWER Care Act (H.R. 5306 & S. 2227)
- House marked up its bill last month
- See n4a.org/advocacy for what you can do to support MFP reauthorization!
Older Americans Act Reauthorization

Lyndon Johnson signing the OAA, July 14, 1965.
Timeline of Major Amendments

- **1965**: National Association of Area Agencies on Aging
- **1972**: Nutrition program
- **1973**: AAAs created; multipurpose senior centers and community service employment authorized
- **1978**: Home-delivered meals authorized and ombudsman services required
- **1992**: Elder rights recognized
- **2000**: National family caregiver support program
- **2006**: HCBS systems thru ADRCs; evidence-based health promotion services
- **2016**: Small changes to definitions, specific authorization levels
- **Present (Preparing for 2019 OAA Reauthorization)**

National Association of Area Agencies on Aging
Topics included:
Rising Demand
Eligibility
Flexibility
Transfer Authority
Targeting
Cost-Sharing
Data Collection
Private Pay
ADRCs
Who should have the flexibility to amend federal funding streams? To what degree?
Do C1 and C2 need to be separate programs and funding streams?
Who decides if cost-sharing is offered?
Do we need to say what ELSE is okay to do (e.g., private pay, integrated care)?
Should Asst Sec on Aging → ACL Secretary? What does this mean for OAA?
OAA Reauthorization

FALL 2018
- Groups develop their ideas
- National coalition: lobbyists lobby each other to achieve consensus
- OAA Education of candidates/Members

WINTER 2019
- n4a proposals released
- Leadership Council of Aging Organizations releases its recommendations
- Committee staff start paying attention
Funding for OAA/Aging Programs
• NOW: Done! Enjoy while we can
• NEXT: Fights over budget caps will start again next year

Health Care Proposals
• NOW: Limited legislative traction due to election, but opioids moved, could MFP?
• NEXT: Larger reforms?

OAA Reauthorization
• NOW: Education is important through the end of the year
• NEXT: Potentially high priority in early 2019—election will determine strategy
What Can Aging Advocates Do?
Key Advocacy Reminders

• **Educate, educate, educate your elected officials** about the importance of OAA programs and delivering aging services in the home and community!
• **Build relationships** with Members/staff
• **Engage candidates** in your work (site visits!)
• **THANK** your elected officials for advocacy wins
• Keep them informed about what is going on in your community
• **Engage with the media, too**
Use n4a’s Advocacy Tools!

Tell Lawmakers to Reject Budget and Health Care Cuts!
May 25, 2017

This week, President Trump released his first full budget, for Fiscal Year (FY) 2018—a document that traditionally sets an Administration’s policy and spending goals for the year. n4a’s May 23 Legislative Update details the budget proposals that could significantly affect programs and services that support older adults and caregivers in every community. While a President’s budget is often a symbolic request to Congress—appropriators in the House and Senate ultimately write spending bills—the cuts that the President is proposing to a panoply of federal programs that support vulnerable seniors would have devastating consequences.

The President’s budget does not directly cut the core Older Americans Act programs, but it does slash funding—or completely eliminates—many key federal programs that help Area Agencies on Aging and other community-based organizations ensure that low-income older adults can meet their basic needs, find jobs to make ends meet, give back to their communities through volunteerism, get one-on-one help understanding their Medicare and other benefits, and live independently at home and in the community, avoiding more expensive nursing home care. And if that’s not enough to be concerned about, the budget cuts Medicaid—the country’s primary safety-net health and long-term care program—by $610 billion over 10 years.

Please reach out to your Members of Congress immediately to share your concerns with the cuts proposed by the Trump Administration! Use n4a’s template letter and talking points to contact your Members of Congress to share your concerns. But please also make sure that you add local information about how these cuts would affect your community! After that, call in to your local Congressperson’s office to share your story! distack the deck!

Sample Letter or Email:

Dear Senator [OR] Representative [LAST NAME]:

I am writing to express my concern about and to ask you to oppose the drastic cuts proposed by the Trump Administration that would undermine the health, independence and economic security of millions of older adults and caregivers.

[IDENTIFY YOURSELF AS A CONSTITUENT AND SHARE ANY RELEVANT PERSONAL INFORMATION YOU FEEL COMFORTABLE SHARING. For example, ”I live in the town of Gilis with my husband who is living with Alzheimer’s. I am his primary caregiver, but he also receives in-home services from Medicaid which allows us to be able to stay in our home of 45 years.”]

As I understand it, the Trump budget makes significant cuts to Medicaid and many federal programs that send money from Washington to where it’s most needed: our communities, virtually all of which have more older adults this year than last—and that trend will only continue for the next few decades!
SAVE THE DATE!
March 5-6, 2019
Washington, DC

n4a Aging Policy Briefing & Capitol Hill Day

1995-2019 25 YEARS