**Public Policy Update – March 2017**

**By Brian Lindberg and Marly Santoro**

**Big Picture**

As Congress heads out of town for a two-week district work period/recess, it has no major legislative victories to show for its first three months of the 115th Congress. However, it has passed 13 bills under the Congressional Review Act nullifying Obama Administration regulations on assorted topics, and President Trump has signed executive orders tied to many of his campaign promises. The Congress leaves town without having funded the government beyond April 28th. The issues of Russian interference in the U.S. elections and President Trump’s allegations that President Obama ordered wiretaps on his phones during the 2016 campaign continue to dominate the news cycle.

On the minds of many lawmakers as they leave town are significant concerns about the new Administration’s potential response to both North Korea and Syria, a lack of nominations for critical positions within the executive branch, and leadership issues within the White House. There is also that little issue of the filibuster of Neil Gorsuch’s nomination to the Supreme Court and the “nuclear option” that the Republicans just used to change the Senate rules to a simple majority for confirming Supreme Court nominees.

**House Republicans Pull Health Care Bill**

House Republicans spent the first part of the session working on the *American Health Care Act (AHCA),* legislation to repeal and replace President Obama’s signature health care legislation, the *Patient Protection and Affordable Care Act* (ACA). They introduced the bill and just two days later, the legislation was debated and voted on by the House Committees on Energy & Commerce and Ways & Means. The legislation passed the two separate House Committees along party lines.

Later in the week, the Congressional Budget Office (CBO) [released](http://app.ns.advisory.com/e/er?elq_cid=1597125&x_id=&s=230127911&lid=139664&elqTrackId=22d81583672944cebeeabd2bd37511c8&elq=057be2ad499d4b948c771ace341007cc&elqaid=64568&elqat=1) its highly anticipated analysis of the AHCA. The CBO estimated that 24 million people would lose health coverage over the next decade, while reducing the federal budget deficit by $337 billion. The AHCA would also slash Medicaid funding by more than $800 billion, placing tremendous strain on state budgets, and imposing an age-tax on healthcare for older Americans. Health and Human Services (HHS) Secretary Tom Price dismissed the findings, suggesting they provide an incomplete picture of the bill. After the release of the CBO report, Republican Senators and the House Freedom Caucus raised doubts about the AHCA.

House Republican leaders drafted a [manager's amendment](https://rules.house.gov/sites/republicans.rules.house.gov/files/115/PDF/115-AHCA-SxS-MNGR-Policy.pdf?elq_cid=1597125&x_id=&elqTrackId=da25f91e54394a30bff52955b2b17675&elq=6d65b76662a4427d8a7b389d68467979&elqaid=64812&elqat=1&elqCampaignId=29994) to offset some concerns. The amendment would allow states to choose whether to receive Medicaid block grants or per capita allotments, provide extra federal funding to states that choose to implement work requirements for able-bodied Medicaid enrollees, provide a higher Medicaid inflation adjustment for older adults and people with disabilities, and accelerate the elimination of ACA taxes. Despite the amendments offered, a significant number of very conservative and moderate Republicans continued to publicly oppose the bill for distinct reasons, and the more conservative they made the bill, the more the moderates could not support it.

Despite this dilemma, the Republican leadership began to move through the procedural hurdles required to have a final vote on the legislation. The vote was delayed twice due to lack of votes to secure passage. On March 23, President Trump announced that the vote would occur on March 24. That same day CBO released an updated analysis of the impact of the AHCA, which incorporated the amendments offered. The updated CBO report determined AHCA would not alter the bill’s impact on health insurance coverage and the federal debt would be reduced by $150 billion, compared to $337 billion previously reported.

On March 24, Speaker Paul Ryan pulled the AHCA from the floor due to a shortage of supporting votes, despite an all-out lobbying effort by the White House. Every Democrat was expected to oppose the legislation, meaning leadership could not lose more than 22 Republican votes.

Shortly after House Republican leaders pulled the AHCA, President Trump called out Democrats for the bill’s failure and predicted that Democrat lawmakers will seek to make a deal - after the ACA “explodes” due to increasing health insurance premiums. According to a CBO report, the ACA *will* stabilize over the long-term. Healthcare industry stakeholders have called on Republicans and Democrats to work together to implement reforms to help boost the U.S. health care system. In a closed-door meeting with House Republicans, Speaker Paul Ryan vowed again to pursue legislation to repeal and replace the ACA. Speaker Ryan did not offer a timeline for a new health reform proposal, but Majority Leader Kevin McCarthy (R-CA) suggested that if consensus is reached during recess, they might end the recess earlier than scheduled. Meanwhile, the majority is moving forward on another change to the bill which would create a risk pool funded by the federal government to offset insurers’ costs for some of their most expensive enrollees.

**President’s FY 2018 Budget**

On March 16, President Trump released a $1.1 trillion budget blueprint for Fiscal Year 2018, “America First: A Budget Blueprint to Make America Great Again.” As one reporter stated, “the deconstruction of the administrative state now comes with line items.” As stated in the document, “The Budget eliminates programs that are duplicative or have limited impact on public health and well-being.”

As expected, the White House proposed a boost to defense spending by $54 billion and implemented corresponding spending cuts for non-defense discretionary programs. The “skinny budget” provides a broad outline of his funding priorities and does not specify funding levels for Medicare and Medicaid benefits. The full budget is expected sometime in May. The full sequestration returns in FY 2018, when the two-year relief provided by the Bipartisan Budget Act of 2015 expires. Read the full skinny text [here.](https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/2018_blueprint.pdf)

Budget Highlights:

* A $15.1 billion decrease in funding for Health and Human Services.
  + The $15.1 billion decrease represents about an 18 percent cut in funds. No details on ACL funding were included nor how it affects Older Americans Act programs and services.
* A $5.8 billion decrease in funding to National Institutes of Health (NIH).
* A cut of $403 million in health professions and nursing training programs – “which lack evidence that they significantly improve the Nation’s health workforce.”
  + This would likely end the Geriatrics Workforce Enhancement Program (GWEP) administered by the Health Resources and Services Administration (HRSA). The GWEP is now the only federal program designed to develop a health care workforce specifically trained to care for the complex health needs of older Americans with the most effective and efficient methods, providing higher quality care and saving valuable resources by reducing unnecessary costs.
* Proposed elimination of the following programs:
  + CNCS - Corporation for National and Community Service
    - CNCS runs Senior Corps programs which includes the Foster Grandparents, Senior Companions and RSVP.
  + SCSEP - Senior Community Service Employment Program
    - SCSEP, which is Title V of the Older Americans Act and administered by the Department of Labor. Elimination of the $434 million program – the only federal job training program focused on unique needs of older workers.
  + CDBG - Community Development Block Grant
    - Elimination of the $3 billion CDBG program. Some localities use CDBG funding to supplement their Meals on Wheels programs.
  + CSBG – Community Services Block Grant
    - CSBG is a federal anti-poverty block grant which funds the operations of a state-administered network of local agencies. The CSBG network consists of more than 1,000 agencies. An estimated one in five individuals served are age 55 and older and about 8 percent are age 70 and older (loss of $715 million).
  + LIHEAP - Low Income Home Energy Assistance Program
    - LIHEAP helps low-income families to receive financial assistance with the costs of heating and cooling (loss of about $3.4 billion).
  + Low-Cost and Free Legal Services
    - Includes elimination of Legal Services Corporation (LSC). In 2014, LSC grantees assisted an estimated 190,000 older Americans and their family members with legal matters.

**Government Funding Set to Expire at the End of April**

On March 28, the White House proposed a supplemental appropriation to increase defense and border security spending by $30 billion and cut $18 billion in federal funding for domestic programs for the remainder of the fiscal year (FY 2017). These cuts include a $1.2 billion decrease to this year’s National Institutes of Health’s budget and some of the same cuts proposed in the skinny budget. The proposal was distributed to Congress and intended to serve as a list of “options” for Republican lawmakers to consider as they work on legislation to continue funding the federal government through September 30, 2017. Government funding is set to expire at the end of April and Democrats have taken a strong position in opposition to the supplemental appropriation, particularly funding for the wall. Leadership of the House and Senate Appropriations Committees appear to be moving toward a bipartisan agreement that would not include the supplemental request.

There is always the possibility that legislative riders could slow up the process. We understand that these “poison pills” could target air and water rules, or endangered wildlife protections. According to one source, other possibilities include:

* Scaling back labor regulations related to overtime pay, silica exposure and financial advice for retirees.
* Immigration provisions, including funds for President Donald Trump’s proposed wall on the U.S.-Mexico border.
* Blocking federal dollars from flowing to Planned Parenthood.
* Gutting Department of Education rules aimed at “predatory” for-profit colleges.
* Changing campaign finance restrictions or financial industry regulations.

**CMS Administrator Confirmed**

On March 13, the Senate confirmed, with a 55 to 43 vote, Seema Verma as Administrator of the Centers for Medicare & Medicaid Services (CMS). Prior to her confirmation, CMS Administrator Verma was the founder and CEO of SVC, Inc., a health policy consulting firm that worked with states on Medicaid waivers and implementation of Medicaid expansion projects under the Affordable Care Act. Read more [here.](http://revcycleintelligence.com/news/senate-confirms-seema-verma-as-next-cms-administrator)

**Bipartisan Legislation Introduced to Protect Seniors from Financial Scams**

Senate Special Committee on Aging Chairman Susan Collins (R-ME) and Senator Kirsten Gillibrand (D-NY) introduced the Senior Financial Empowerment Act, legislation to protect seniors from financial fraud. The bipartisan bill would ensure that older adults and their caregivers have access to critical information regarding financial abuse. The bill would improve the way senior financial abuse is reported, establish a national hotline, and create a grant program to prevent mail, telemarketing and internet fraud. Read more [here.](https://www.aging.senate.gov/press-releases/senators-collins-gillibrand-announce-new-bipartisan-legislation-to-protect-seniors-from-financial-scams)

**The Improving Access to Medicare Coverage Reintroduced**

Senate Special Committee on Aging Chairman Susan Collins (R-ME) and Senators Sherrod Brown (D-OH), Bill Nelson (D-FL), and Shelley Moore Capito (R-WV) have reintroduced their bipartisan legislation titled *The Improving Access to Medicare Coverage Act.* The legislation would allow for the time patients spend in the hospital under “observation status” to count toward the three-day hospital stay for coverage of skilled nursing facility care. Read more [here.](https://www.aging.senate.gov/press-releases/senators-collins-brown-nelson-capito-reintroduce-bipartisan-legislation-to-protect-seniors-from-high-costs-of-necessary-medical-care)

**ACL Request Principles for a Person-Centered Approach to Serious or Advanced Illness**

The Administration for Community Living (ACL), in consultation with partners from the aging and disability community, has drafted principles to enhance existing programs and services related to serious or advanced illness for older adults and people with disabilities. A copy of the draft principles can be found [here](http://ltcombudsman.org/uploads/files/support/acl-person-centered-principles.pdf).

ACL is seeking input from stakeholders who serve older adults, people with dementia, people with all types of disabilities, and families and caregivers. Send your comments, by May 12, 2017, to [advancedillness@acl.hhs.gov](mailto:advancedillness@acl.hhs.gov)

**FY 2015 Report to Congress – Older Americans Act**

The Administration on Aging (AoA)/Administration for Community Living released its fiscal year (FY) 2015 annual report to Congress on the Older Americans Act (OAA). In FY 2015, AoA and the national aging services network provided direct services and advocacy for nearly 11 million Americans age 60 and over, including nearly 3 million clients who received intensive in-home services. Additionally, over 700,000 caregivers received critical supports, such as respite care and a peer support network. Read the full report [here.](https://acl.gov/NewsRoom/Publications/Index.aspx)

**SSI Fact Sheet**

Justice in Aging released a new fact sheet on Supplemental Security Income (SSI). The fact sheet provides information for SSI to advocates working to educate and inform lawmakers and their communities about the importance of the program. Click [here](http://www.justiceinaging.org/wp-content/uploads/2017/03/F_SSI-Fact-Sheet-2017.pdf) to read the fact sheet.