Leadership Council of Aging Organizations

Max Richtman, Chair

October 28, 2015

The Honorable Barack Obama
The White House
Washington, DC 20500

Dear Mr. President:

On behalf of the members of the Leadership Council of Aging Organizations (LCAO), I am writing to express our hopes and aspirations for funding levels in your Fiscal Year 2017 Budget for crucial programs, such as the Older Americans Act (OAA), that enable older Americans to live independent and dignified lives and for proposals that strengthen Social Security, Medicare and Medicaid.

LCAO is a coalition of 72 national nonprofit organizations concerned with the well-being of America's older population. As preparation of your FY 2017 budget moves forward, we urge you to consider the recommendations in the attached document on community services, health care and income security. These recommendations represent the common ground among our organizations although they are not exhaustive of the interests of LCAO members, collectively or individually.

Compared with 46 million seniors today, by 2030, 70 million people – 1 in 5 Americans – will be 65 or older. Many older Americans face economic and health challenges. Currently, nearly 90 percent of seniors have at least one chronic condition, 4.2 million adults over the age of 65 live in poverty, and nearly one in six seniors struggle with hunger. Decades of stagnant wages and the erosion of employer-sponsored retirement benefits and savings are grinding away at the economic security of millions of seniors.

Given these demographic and economic realities, we urge you to include proposals in your FY 2017 budget that would strengthen the financial and health security of older adults and to reject proposals that would increase costs or reduce benefits for current and future generations of older Americans.

We look forward to working with you to meet the challenges presented by our growing elderly population.

Sincerely,

Max Richtman

Max Richtman
Chair, Leadership Council of Aging Organizations

10 G Street, NE, Washington, DC 20002 ♦ (202) 216-8387 ♦ (202) 787-3726 (Fax)
Email: LCAO@NCPSSM.org ♦ Website: www.LCAO.org

COMMUNITY SERVICES

Older Americans Act (Department of Health and Human Services/Administration for Community Living-Administration on Aging)

The Leadership Council of Aging Organizations (LCAO) thanks the Administration for $171 million in increases to Older Americans Act (OAA) programs proposed in the President's Fiscal Year 2016 budget and renewed investment in achieving the mission of the Administration for Community Living (ACL) to support programs that enable seniors to age with dignity and independence in their homes and communities for as long as possible. We appreciate the significant increases of nearly $38 million for Older Americans Act Title III B Supportive Services, $42 million for Title III Nutrition programs, $6 million for the Title III E Family Caregiver Support Program, and the $20 million for nutrition innovation programs and $15 million for innovation programs to provide greater support for caregivers of all ages. As you are aware, none of these proposed increases have been provided by Congress.

All OAA-supported programs and services are of great importance and need continued investment in order to meet an escalating need and rapidly growing population. LCAO supports an increase of at least 12 percent in FY 2017 for all OAA programs to account for years of stagnant funding, the economic crisis and to address the growing population and need. The OAA funds critical programs and services to protect and keep older adults independent, and LCAO supports increased funding for all programs that serve older adults. In particular, we ask the Administration to focus on increasing, or at a minimum fully restoring, funding for core OAA programs, which include the following titles:

- Title III B: Supportive Services and Centers, which enables local agencies to use a flexible pool of funds for up to 25 different activities that support older adults aging in place—from transportation to in-home chore services to adult day care.
- Title III C 1: Congregate Meals, which provides congregate meals served in community settings such as senior centers.
- Title III C 2: Home-Delivered Meals, which is often known as Meals on Wheels, offers reliable nutrition to homebound older adults and critical supports to prevent isolation, as the staff and volunteers may be the only direct human contact homebound seniors have during a day.
- Title III D: Preventative Health, which provides grants to deliver evidence-based health promotion and disease prevention programs to reduce illnesses that lower quality of life, drive health care costs and reduce an older adult's ability to live independently.
- Title III E: National Family Caregiver Support Program, which provides grants to help family members caring for their older loved ones who are ill or who have disabilities. Supports include respite care, support groups and assistance accessing other resources.

- Title IV: Aging Research and Training, which provides funding for innovation, research and training. This title has had its funding slashed in recent years; and we appreciate the administration's effort to reverse this dangerous trend to ensure that the Aging Network can find new and innovative practices and policies for delivering cost-effective services that provide high-quality outcomes.
- Title VI: Native American and Native Alaskan/Hawaiian Aging Programs, which provides primary authority for funding nutrition and family caregiver support services to Native American (Indian, Alaskan and Hawaiian) elders, who are among the most economically disadvantaged elderly minority in the nation. It is critical that funding be increased for these services.
- Title VII: Long-Term Care Ombudsman/Elder Abuse, which advocates for residents of long-term care facilities in order to resolve quality of life and care problems, protect residents' rights, and improve the long-term supports and services system. This title, which requires states to raise public awareness and coordinate agency activities to identify and prevent elder abuse, neglect and exploitation, is critical to ensuring the health and safety of older adults who require institutional support and are unable to remain in their homes and communities.

Federal, state and local budget cuts during the economic downturn significantly eroded and undermined the ability of community-based organizations to adequately serve a growing senior population. Furthermore, stagnant and even decreased federal funding implemented through the current era of fiscal austerity under budget caps and the threat of sequestration means that not only are programs unable to meet current need, but they are serving fewer people at a time of greatest need. States are still reeling from federal budget cuts, and while some states were able to offset reductions under sequestration in FY 2013, according to a recent survey, two-thirds of state aging agencies report that they did not anticipate being able to continue offsetting funding reductions and would be unable to meet a growing demand for services. If federal funding for core OAA services is not increased or at a minimum fully restored, millions of seniors across the country will be unable to access the critical supports needed to age with dignity and independence in their homes and communities. We appreciate that the Administration recognized and took important steps to address and act to reverse the current trajectory of declining funding at a time of growing need in the FY 2016 budget, and we encourage additional measures to restore and increase funding for core OAA programs in FY 2017.

Older Americans Act (Department of Labor)

LCAO supports $434,371,000 in the FY 2017 budget request for Title V, the Senior Community Service Employment Program (SCSEP), administered by the Department of Labor. According to the GAO, the Senior Community Services Employment Programs (SCSEP) is the only federal workforce development program targeted to serve older Americans and does not overlap with any other federal program. Low-income jobseekers, 55 years old or older, are assigned to paid community service employment opportunities where they update their skills through on-the-job training. SCSEP serves nearly all 3,000 counties in the U.S. Last year, about 70,000 SCSEP participants provided nearly 36 million hours of staff support to 30,000 libraries, senior centers, schools and other community- and faith-based organizations. The value of this work exceeded $800 million, or nearly twice its appropriations. The income taxes paid by older workers who

return to the labor force through SCSEP further adds to SCSEP's total social return on investment. Finally, the wages paid to SCSEP participants also help boost many local economies.

Elder Justice Act (Health and Human Services, Administration for Community Living)

LCAO has supported the FY 2016 budget's $25 million funding request for elder justice and Adult Protective Services (APS) programs. This funding has not yet been determined by Congress. It would be only the second direct appropriation for the bipartisan Elder Justice Act, which was signed into law in 2010 and authorized at slightly less than $200 million per year. The Act received only $4 million in funding in FY 2015, the only time it received direct appropriations. This funding would have a direct and immediate impact by providing urgently needed support for state and local governments for APS programs, the front line of fighting elder abuse. Given the growing problems of elder abuse, neglect and exploitation, including billions of dollars taken from seniors each year, this is a modest amount for the federal government to address this national tragedy. For FY 2017, we support at least the $25 million requested in FY 2016 and the additional $5 million for the Long-Term Care Ombudsman Program under the Elder Justice Act, which was previously requested by the President.

Aging and Disability Resource Centers (ADRCs) (Health and Human Services, Administration for Community Living)

LCAO supports the President's FY 2016 request of $20 million in discretionary funding for ADRC activities. The Aging and Disability Resource Center model has proven to be a valuable tool for consumers of all ages and disabilities. In this "No Wrong Door" model, ADRCs serve as a streamlined point of entry for consumers and caretakers seeking information and referral assistance about public and private options for long-term services and supports (LTSS). ADRCs play a critical role in aligning consumer needs for LTSS with long-term care options. At the local level, ADRCs are collaborations of Area Agencies on Aging (AAAs) and their disability partners (such as Centers for Independent Living) that build on the outreach and referral work each community already does so well to streamline access for consumers.

For over 10 years, ADRCs have proven their value as a way to streamline access to LTSS and save taxpayer dollars by diverting older adults and individuals with disabilities from the most costly forms of care, including institutionalization and hospitalization. In the effort to rebalance long-term care funding in states across the country from expensive and often unwanted institutional care, ADRCs play a critical role to align home and community-based service options with the long-term care needs of millions of individuals each year. LCAO supports the efforts of ACL and CMS to make targeted investments to expand ADRC services nationwide.

Pension Counseling and Information Program (PCIP) (Health and Human Services, Administration for Community Living)

More than 50 million American workers are covered by private pension and retirement savings plans. The benefits they earn under these plans are critical for financial security in retirement. However, too often these benefits are miscalculated or wrongfully denied. The Pension Counseling and Information Program (PCIP) provides free legal assistance to thousands of

retirees in thirty states each year, helping them to understand and exercise their retirement income rights, to correct benefit miscalculations, and to overcome wrongful benefit denials.

Since 1993, regional pension counseling projects funded under PCIP have recovered more than $200 million in missing or wrongfully denied benefits on behalf of older Americans. These recoveries represent a return on federal investment of 9 to 1, demonstrating that pension counseling can be provided efficiently and effectively. LCAO supports expanding the Pension Counseling and Information Program so that it will eventually cover all 50 states.

Prevention and Public Health Fund (PPHF) Programs

- Falls Prevention (Health and Human Services/Centers for Disease Control and Prevention and Administration for Community Living): Each year, one in three Americans aged 65 and over falls. The death rate from falls among older adults has risen sharply over the past decade. In 2013, 2.5 million nonfatal fall injuries among older adults were treated in emergency departments with more than 734,000 of these hospitalized. The nation is spending over $34 billion annually on direct medical costs arising from elder falls. If we cannot stem the rate of falls, it is projected that the cost in 2020 would be $67.7 billion, including Medicare costs estimated at about $52 billion. We support a PPHF allocation of $10 million for falls prevention, to increase the current CDC Injury Center appropriation of $2.1 million by another $3 million, and increase the current PPHF allocation to ACL from $5 million to $7 million.

- Chronic Disease Self-Management Education (CDSME) (Health and Human Services/Administration for Community Living): Older Americans are disproportionately affected by these chronic disease conditions, which account for more than three-quarters of all health expenditures and 95 percent of health care costs for older adults. Over 90 percent of older adults have at least one chronic disease and two-thirds have two or more. Data show that as an individual's number of chronic conditions increases, there is a corresponding escalation in unfavorable outcomes including poor functional status, unnecessary hospitalizations, adverse drug events, duplicative tests, and conflicting medical advice—all of which lead to higher health costs and increased Medicare and Medicaid spending. We support a PPHF allocation of $16 million to restore CDSME to its annual level of FY 2010-FY 2011.

Alzheimer's Disease Priorities (Health and Human Services)

Alzheimer's disease in the U.S. is at crisis proportions. As our population ages, the number of persons affected by this insidious brain disorder are expected triple to 13.8 million Americans by 2050. Costs associated with Alzheimer's disease are also growing at an unsustainable rate. A RAND study of adults age 70 and older found that the cost of dementia in 2010 was estimated to be $109 billion for direct care—higher than the costs of heart disease and cancer. That figure jumps from $109 billion to $215 billion when the cost of informal care—such as the type provided by family members—is included.

The following programs provide vital supports and services to those living with dementia and their family caregivers:

- Alzheimer's Disease Supportive Services Program (ADSSP): We support an increase of $2.5 million for a total of $6.3 million to fund ADSSP which provides competitive grants to states to expand dementia-capable home and community-based long-term services and supports.
- Alzheimer's Disease Initiative (ADI): We support a budget request of $16.5 million, up from a current spending level of $10.5 million for this program that provides services such as support for caregivers in the community, improving health care provider training, and raising public awareness. Research shows that education, counseling and other support for family caregivers can delay institutionalization of loved ones and improve a caregiver's own physical and mental well-being—thus reducing costs to families and government. In addition, we support an appropriation of $6.7 million, up from $4.2 million, for the Alzheimer's Disease Communications Campaign to promote awareness and reduce the stigma attached to this insidious brain disorder.

Alzheimer's Disease Priorities (Department of Justice)

The Missing Alzheimer's Disease Patient Program provides vital resources in helping local communities and law enforcement officials quickly find persons with Alzheimer's disease who wander away from their homes, long-term care facilities or other places. The program protects the safety of millions of Americans affected by dementia and provides priceless peace-of-mind to their families. Moreover, it saves local law enforcement officials valuable time and resources, and frees them up to focus on other security concerns. We therefore request that $5 million, up from the current $750,000, go to the Department of Justice to fund the Missing Alzheimer's Disease Patient Alert Program.

Social Services Block Grant (Health and Human Services/Administration for Children and Families)

The Social Services Block Grant (SSBG) is a major funder of state and local services for older adults including Adult Protective Services, in-home supportive services, congregate and home-delivered meals, as well as case management. The strength in the program lies in its flexibility to allow state and local governments to determine how to best use funds to meet local needs. Adult Protective Services (APS) is often dependent on SSBG funding and its workers frequently serve as first responders in cases of abuse, neglect, or exploitation, working closely with a wide variety of allied professionals such as physicians, nurses, paramedics, firefighters and law enforcement officers. The funded services are designed to enable an elderly individual or other vulnerable adult to continue living independently at home and to protect her or him from further abuse. Even with efficient utilization of SSBG funds, communities still have older adults on waiting lists for many essential supportive services. LCAO supports a budget request for SSBG at the $2.38 billion authorization level.

Community Services Block Grant (CSBG) (Health and Human Services/Administration for Children and Families)

Since 1981, states have utilized these CSBG flexible funds to improve community health and living conditions for low-income families and seniors. For those age 55 and older, these services include home-based household and personal care activities, congregate meals and recreational activities, nutritious home-delivered meals, Adult Protective Services, and transportation to and

from medical appointments or adult day health centers, making this program a pre-Medicare/Medicaid partner in the long-term care continuum. Over 20 percent of those served in FY 2013, or over 2.4 million were older adults age 55+, with approximately $52 million of CSBG resources specifically used to serve seniors. Due to those funds, nearly 2 million seniors were helped to live independently in their own homes and communities. We support funding that restores CSBG and the community services related activities to their FY 2010 pre-sequester level totaling $775 million.

Housing Programs (Department of Housing and Urban Development/Federal Housing Administration)

- Senior Housing: Seniors rely disproportionately on federally subsidized housing programs. The Administration should continue fostering collaboration between HUD, HHS and other federal agencies to increase successful program linkages for seniors to help them successfully age in place. The Supportive Housing for the Elderly Program (Section 202) helps expand the supply of affordable housing with supportive services for low-income older adults, allowing them to live independently but in an environment that provides support activities such as cleaning, cooking, and transportation. LCAO continues to support full funding of the Section 202 program, but given the reality of budget caps, we ask that the Administration again request at least the $35 million increase proposed for FY 2016.

- Housing Counseling: In addition to supporting homeownership counseling, the Housing Counseling program also invests in Home Equity Conversion Mortgage counseling that is mandatory prior to application for a reverse mortgage. The need for increased funding is especially acute to protect against fraud given recent changes in the reverse mortgage products marketplace, as well as for training, testing, and other implementation issues related to the new HUD counselor certification. We support an investment of $60 million, equal to the FY 2016 budget request, for HUD's Housing Counseling Assistance Program.

Low Income Home Energy Assistance Program (LIHEAP) (Health and Human Services/Administration for Children and Families)

About 32 percent of households receiving LIHEAP benefits include an older adult age 60+ for whom this assistance means avoiding difficult choices between paying for utilities, food, or medicine. However, level funding is only sufficient to serve 20 percent of the eligible population at a time when the average cost of home heating is expected to remain unaffordable for millions of households nationwide. Those who do receive LIHEAP assistance have seen their average grant reduced by nearly $100 since 2010. We support FY 2017 funding of at least $4.7 billion.

Legal Services

LCAO supports the modest legal services funding provided under Titles III B and VII of the Older Americans Act. In addition, LCAO believes that the Legal Services Corporation (LSC) plays a critical role in providing civil legal aid across the nation, particularly to the most vulnerable Americans, including older adults, veterans, victims of elder abuse, and people with disabilities.

LSC has been cut many times over the years, but has received increases in the last couple years in an attempt to address the large number of people who are turned away because of a lack of funding and staff. The LSC was funded at a level of $375 million for FY 2015; FY 2016 levels have not yet been determined. In previous years, LCAO has supported a minimum level of $516.5 million. For FY 2017, LCAO again supports the Administration's FY 2016 budget request of $452 million.

Senior Transportation Programs (Department of Transportation/Federal Transit Administration)

LCAO requests that the Administration propose increased funding for senior transportation programs for FY 2017. The Federal Transit Administration's (FTA) Section 5310 formula grant for the elderly and persons with disabilities should receive $277.2 million. The current level of funding is nowhere near enough to ensure needed transportation for the millions of older adults age 60 and over and the tens of millions of people with disabilities currently living in the United States, let alone the coming influx of aging boomers. This increased funding is consistent with the yearly increases outlined in the Senate- passed transportation reauthorization bill. We believe these increases will help nonprofit transportation providers meet at least part of the estimated $1 billion a year in unmet senior transportation needs that now exist.

LCAO also supports funding for the National Aging and Disability Transportation Center as part of the Federal Transit Administration's technical assistance program at $5 million for FY 2017 to assist local communities and states in the expansion and provision of transportation services for older adults.

Finally, LCAO supports funding the Section 5311 Rural Formula Grant Program at a level consistent with funding growth during the current reauthorization period.

Nutrition Programs (Department of Agriculture)

It is critical that proven and effective federal nutrition programs serving our most vulnerable seniors are further strengthened; particularly now as both the need and demand for nutritious meals are already substantial and will only continue to climb exponentially due to a rapidly aging population. In addition to increasing funding for the nutrition programs authorized under the OAA, we support the following for the programs administered by USDA.

- Supplemental Nutrition Assistance Programs (SNAP): SNAP is our nation's largest federal nutrition program, targeting households at or below 130 percent of the federal poverty line, or an annual income of $15,180 for a senior living alone. Currently, only 41 percent of eligible seniors are enrolled in SNAP and on average access $113 a month. We support the previous budget request for $9 million to create a new state option to eliminate barriers and improve SNAP access for seniors struggling with hunger. Based on successful state demonstrations in increasing senior participation in SNAP, this would allow states to adopt a set of policies to streamline and simplify the SNAP application, reporting requirements, and re-certifications for seniors.
- Commodity Supplemental Food Program (CSFP): We support the $10 million increase proposed in past budget requests, to address current demand and fund new caseloads in seven new states, including Connecticut, Florida, Hawaii, Idaho, Maryland,

Massachusetts, and Rhode Island. CSFP provides a nutritious monthly food package to approximately 604,000 low-income individuals in 46 states and the District of Columbia, of which more than 90 percent are seniors. With nearly one in seven older Americans struggling with hunger, this is another crucial service that helps provide the nutrition needed to combat the poor health conditions often found in food insecure seniors.

Senior Corps

Senior Corps (Foster Grandparents, Senior Companions, and RSVP) is one of the few organized opportunities at the federal, state, and local levels that allows older Americans to engage with their communities and share their experiences through volunteer service. Some 10,000 Baby Boomers are retiring every day and will do so every day for the next 20 years. Senior Corps is the only national program able to place large numbers senior volunteers in high quality volunteer positions. Senior volunteer programs have two benefits: they improve the quality of life in their communities and they help volunteers live independent and productive lives. Senior volunteers provide respite care, deliver food, mentor children, and. support veterans and military families. The LCAO requests for FY 2017 the following: $111.7 million for Foster Grandparents, $47 million for Senior Companions, and $63 million for RSVP.

HEALTH CARE

State Health Insurance Assistance Programs (SHIPs) (Health and Human Services/Administration for Community Living)

A total of 54 SHIP grantees oversee a network of more than 3,300 local SHIPs and over 15,000 counselors to provide one-on-one assistance and counseling on Medicare to beneficiaries at the community level. SHIPs play a critical role in ensuring that older adults and people with disabilities make informed decisions about their Medicare coverage, including selecting among supplemental Medigap plans, Medicare Advantage (MA) plans and Part D prescription drug plans. SHIPs are also essential in helping beneficiaries navigate an evolving Medicare benefit that includes innovative programs such as Accountable Care Organizations (ACOs) and managed care demonstrations designed for beneficiaries dually eligible for Medicare and Medicaid. Each day, 10,000 baby boomers become Medicare eligible. One-on-one assistance provided by SHIPs has grown from 1.2 million client contacts in 2005 to 3.4 million contacts in 2014, a 270 percent increase. If the SHIP investment had simply kept pace with inflation and the increasing number of Medicare beneficiaries since FY 2011, FY 2016 funding would be $63.8 million. LCAO supports, at a minimum, $52.1 million for FY 2017.

National Institutes of Health (NIH/Health and Human Services)

LCAO supports increased investment at the National Institutes of Health and the National Institute on Aging in order to better prevent, treat, and cure chronic diseases of aging. This is one of the most cost-effective ways to reduce health care spending. It is estimated that we will spend more than $225 billion this year on treating Alzheimer's disease (AD) and other dementias. As many as five million Americans aged 65 years and older may have AD with a predicted increase to 13.2 million by 2050. To address this looming crisis, the NIA is currently engaging in research spanning the spectrum of discovery - from basic neuroscience through translational research to clinical applications. The NIA is spearheading several exciting trials incorporating biomarkers of

disease and continues to support treatment trials to slow the disease or alleviate its symptoms. Through the NIA-supported Alzheimer's Disease Sequencing Project (ADSP), researchers are now able to access data on rare genetic variants that protect against or contribute to AD and how genes vary among different racial/ethnic groups. The ADSP allows researchers to examine how brain images and other biomarkers are associated with genome sequences.

The President's FY 2016 budget proposal included a $1 billion increase for NIH from FY 2015 enacted levels to $31.311 billion. Further, there have been positive actions from both the House and Senate. LCAO was pleased that the House Appropriations Labor-HHS Subcommittee bill for the NIH included a $1.1 billion increase and a more than 25 percent increase for the National Institute on Aging to $1.5 billion, and a call for $300 million of that increase to be used for Alzheimer's disease research. LCAO was also pleased with the stronger Senate Appropriations Labor-HHS Subcommittee funding levels for NIH, which includes a $2 billion increase and a $350 million increase for the National Institute on Aging. LCAO supports an additional $500 million investment in the NIA in FY 2017, which is necessary to support biomedical, behavioral, and social sciences aging research efforts. This funding level is the minimum required to sustain research needed to make progress in attacking the chronic diseases that are mounting significant cost increases in healthcare.

Geriatric Health Care Provider Training and Education (Health and Humans Services/Health Resources and Services Administration

The Geriatrics Workforce Enhancement Program (GWEP) is the only federal program working to increase the number of faculty in a variety of disciplines who have geriatrics expertise and who provide training in clinical geriatrics. These programs improve care quality and safety and reduce the cost of care by providing appropriate training for the entire team serving older adults—family caregivers, direct care workers, and health care professionals—and by coordinating care provided by interprofessional geriatrics care teams. In FY 2015, the Health Resources and Services Administration (HRSA) combined the Title VII and Title VIII geriatric education programs—Geriatric Education Centers (GECs, which include the Alzheimer's Disease Prevention, Education, and Outreach Program); Geriatric Training for Physicians, Dentists, and Behavioral and Mental Health Professionals (GTPD); Geriatric Academic Career Awards (GACAs); and Comprehensive Geriatric Education Program (CGEP)—and, in so doing, reduced the collective funding available for the various programs now included in the GWEP. In an attempt to restore program funding, LCAO requested a total of $44.7 million for these programs in FY 2016. The House's FY 2016 budget for GWEP matches that of the President's $34.2 million and $4.5 million for Title VII and for Title VIII programs, respectively. Yet, the Senate budget combines the Title VII and Title VIII GWEP programs into one line item of $35 million, thereby reducing GWEP program funding by another $3.66 million. LCAO strongly supports including at least $44.7 million for the GWEP in the budget request for FY 2017.

MEDICARE

We urge you to abstain from including proposals in the FY 2017 budget, namely those included in past budgets, which would shift additional health care costs to people with Medicare. At the same time, we ask you to again express support for securing better prices on prescription drugs,

specifically by restoring Medicare drug rebates, accelerating closure of the Part D coverage gap and through patent reforms.

Avoid shifting costs to Medicare beneficiaries.
Our opposition to shifting additional costs to older adults and people with disabilities is underscored by the stark economic reality facing many people with Medicare. In 2014, half of all people with Medicare lived on annual incomes less than $24,150, and one quarter had annual incomes at or below $14,350. Despite their relatively low incomes, people with Medicare already spend a significant amount on health care. On average, in 2012, Medicare households spent 14 percent of their total budgets on health care, compared to 5 percent among non-Medicare households. While the economic circumstances facing people with Medicare are cause for concern, recent trends related to the financial health of the Medicare program are promising. The rate of Medicare spending growth is at a historic low. From 2010 to 2014, per capita spending increased by only 0.7 percent and by just 0.3 percent in 2014. Shifting additional costs to Medicare beneficiaries to secure federal savings is unwarranted due to these historic reductions in Medicare per capita spending growth, and alongside the ongoing implementation of payment and delivery system initiatives designed to enhance program efficiency. In particular, we oppose Medicare cost shifting proposals intended to discourage Medicare beneficiaries from seeking health care services. These include increasing the Part B deductible, introducing a home health copayment, increasing brand name copayments for low income beneficiaries and taxing comprehensive Medigap supplemental plans.

Decades of empirical literature on patient behavior and cost sharing finds that these so-called structural reforms will not yield the result of encouraging Medicare beneficiaries to seek high value care. Raising cost sharing, including deductibles and copayments, amounts to a regressive tax which would force many beneficiaries to forgo necessary care. These ill effects would be borne disproportionately by those with the lowest incomes (most of whom do not receive assistance to pay for these expenses), and may result in the increased use of costly ambulance rides, emergency room visits and hospital stays.

Similarly, we are opposed to further means-testing Medicare premiums, which would move away from Medicare's original community intent and further complicate an already complex system. Most importantly, over time the proposals included in your past budget requests would shift costs to beneficiaries with middle-class incomes equivalent to just $45,600 today.

Achieving savings through prescription drugs.
While LCAO opposes proposals that would ultimately undermine the health and economic security of our nation's seniors, our organizations recognize the need to address system wide health care inflation, and build on the cost savings and efficiencies of the ACA.

Toward this end, LCAO supports proposals to achieve savings for the federal government on prescription drugs. Examples of these include restoring Medicare drug rebates for low income beneficiaries, allowing the Medicare program to negotiate drug prices for high-cost specialty medications, reducing the market exclusivity for biologic drugs, and prohibiting pay-for-delay agreements between brand-name and generic drug manufacturers.

Improve Medicare coverage for low-income beneficiaries.
In effectively extending Medicaid coverage to people up to 138 percent of the federal poverty level (FPL), the ACA inadvertently creates a "coverage cliff" for people in this income group when they reach the age of 65. People between 120 - 138 percent of FPL may find themselves unable to receive any assistance for their substantial premium and out-of-pocket costs, especially since states have limited availability for their Qualified Individual (QI) programs. In addition, these beneficiaries may face asset tests, which will not apply anywhere else in the reformed health care system, and separate eligibility criteria for the Medicare Savings Programs (MSPs) and the Part D Low-Income Subsidy (LIS). LCAO strongly recommends that this benefit cliff be addressed by extending eligibility for the Qualified Medicare Beneficiary program (which covers Medicare premiums and cost-sharing for Parts A and B) to 138 percent of the FPL, and removing asset tests for LIS. Eligibility criteria for MSP and LIS benefits should be aligned and streamlined, removing the option for states to require that life insurance and in-kind support be counted as assets.

Improve the provision of services to racial and ethnic minorities
Racial ethnic/minority seniors are more likely to be low income, are unable to equally access certain Medicare services, and are less likely to receive common preventative measures. Efforts to improve quality of care or expand access to care should include consideration of, and funding for, specific efforts aimed at underserved ethnic and racial minorities.

MEDICAID

Medicaid remains a critical, sometimes overlooked, support system for seniors. Almost 70 percent of Americans who reach the age of 65 will need some form of long-term services and supports (LTSS) in their lives for three years on average. To date, we have no comprehensive national system in place to protect seniors from the ruinous costs of catastrophic illnesses, such as Alzheimer's disease, that require substantial LTSS.

Medicaid acts as the guarantor of last resort for these services, covering a majority of all nursing home expenses. Some in Congress have suggested capping Medicaid payments to states on a per-beneficiary basis. A per capita cap, like a block grant, would spell danger for our country's most vulnerable citizens. Given the Federal-State nature of the program, even cuts seemingly unrelated to LTSS can translate into state pressure to cut these services due to a decrease in Federal funding. LCAO urges the President to continue to fight suggested cuts to the Medicaid program.

HOME AND COMMUNITY-BASED SERVICES

LCAO commends the President for his continued leadership in encouraging home and community based services (HCBS) for LTSS. Seniors and persons with disabilities should have the ability to receive care in the least-restrictive environment possible. Many of the great programs from the Affordable Care Act designed to help achieve this goal have or will expire over the next several years. LCAO encourages the Administration to continuing championing these provisions and other means to expand HCBS, including:

Extend the Balancing Incentive Program.
The Balancing Incentive Program, established under the Affordable Care Act, assists states in making structural changes and rebalancing their long-term services and supports systems from institutional to more cost-effective home and community-based services. The program has assisted 21 states with the greatest needs to rebalance to make significant progress. However, the program was only authorized for four years and expired on September 30, 2015. We recommend extending the program to allow states to continue progress.

Extend and improve the Money Follows the Person (MFP) Demonstration.
The MFP Demonstration was originally establish under the Bush Administration and extended through the Affordable Care Act through September 30, 2016. This bi-partisan program has been adopted by nearly all states. It has assisted states with transitioning tens of thousands of seniors and people with disabilities from nursing homes back to the community. We recommend extending the program and making improvements, such as those outlined in the FY 2015 President's Budget. These include providing flexibility to prevent individuals from entering nursing facilities, reducing the required length of institutional stay from 90 to 60 days, and allowing individuals in certain mental health facilities to transition to home and community-based services. Other improvements might include better aligning the program with the HCBS setting rule and addressing housing barriers that prevent community living.

Establish Streamlining Demonstration to Promote HCBS
In response to the bi-partisan long-term care commission, the Administration included a proposal for a new streamlining demonstration in the President's FY 2015 Budget. This eight-year pilot program would create a comprehensive long-term care state plan option for up to five states. Participating states would be authorized to provide home and community-based care at the nursing facility level of care, creating equal access to home and community-based care and nursing facility care. This proposal works to end the institutional bias in long-term care and simplify state administration. We urge the Administration to work with consumer advocates and states to develop details and draft legislative language for this proposal.

Make Medicaid Spousal Impoverishment Protections for Home and Community-Based Services (HCBS) Permanent.
Spousal impoverishment protections are mandatory for spouses of institutionalized enrollees, but not for spouses of HCBS enrollees. The Affordable Care Act temporarily repaired this institutional bias by extending spousal protections for HCBS. However, this extension will sunset in 2019. We urge the Administration to make these spousal impoverishment protections permanent for HCBS, just as they are for nursing home care. This is another important step in balancing and leveling the playing field for HCBS.

Support Family Caregivers.
Over 40 million family caregivers in the U.S. provide an estimated 37 billion hours of care to adults with disabilities. The estimated economic value of their unpaid contributions is approximately $470 billion. Family caregivers often face physical, emotional, and financial challenges due to their caregiving responsibilities. Family caregivers should be supported in their caregiving role as they help their loved ones to remain in the community and often coordinate

their care. LCAO urges that the Administration align the requirement for a requirement for a caregiver assessment in the 1915(i) HCBS State Plan Option across all HCBS authorities. We also urge the provision of information and referral services to family caregivers of Medicare beneficiaries at the point of admission or discharge from a hospital or post-acute care setting in an effort to assist them in locating available community support services. Care transitions are a time when family caregivers often need additional information and resources. Finally, we urge the Administration to significantly increase funding for the National Family Caregiver Support Program and the Lifespan Respite Care program to keep pace with the growing prevalence of family caregivers and needs for support.

INCOME SECURITY

In the past, many Americans counted on a combination of Social Security, pensions and savings to get them through their retirement years. Today, barely 15 percent of workers in the private sector are covered by a traditional workplace pension plan and half have no retirement savings plan of any kind. Moreover, when it comes to saving for retirement and having adequate income to last through old age, women are at a distinct disadvantage and are far more likely than men to spend the end of their lives in poverty.

Lack of adequate income is a serious problem for today's seniors, but will be even worse in the future, when current workers retire. Key reasons include the decline in pension protection, stagnant wages, an erratic stock market that has gutted retirement savings, and the collapse of housing values – the major asset for most older households. To avert disaster down the road, our nation must act soon to make sure future retirees have secure incomes. With this in mind, and in order to protect the income security of current seniors, LCAO recommends that the following be taken into consideration as the Administration prepares its FY 2017 Budget.

Social Security

Social Security is the bedrock of retirement security and a lifeline for over 40 million older Americans. Social Security is the major source of income for those aged 65 and older, providing at least 50 percent of total income for 51 percent of aged beneficiary couples and 74 percent of aged non-married beneficiaries. Social Security also provides basic income to 3.3 million children, 8.9 million disabled workers, 2.6 million spouses or divorced spouses of retired workers and 6.1 million surviving spouses. As a byproduct, it lifts over twenty million Americans out of poverty, including more than a million children, making it the nation's most effective poverty fighting program. Social Security's dependable monthly checks not only keep millions of retirees and families afloat, but also make a major contribution to the economic health of our local communities. Because Social Security is such a significant part of beneficiaries' incomes – one-third of older beneficiaries rely on it for virtually all of their income – it tends to be spent immediately and locally.

By law, Social Security can only pay benefits and the related administrative costs if it has sufficient income to cover those costs. It has no borrowing authority. Consequently, it does not add a penny to the nation's debt. Indeed, of the $18 trillion of federal debt subject to the statutory limitation, $2.8 trillion is owed to Social Security.

LCAO urges you, for a variety of policy reasons as well as the general concern discussed below, that Social Security benefits should be expanded and not cut, to not propose either as part of your budget or elsewhere any proposals that cut Social Security, including the so-called "chained CPI," the reduction of disability benefits for those who seek to return to work, are laid off and receive earned unemployment benefits, or other proposals that have been included in some or all of your past budgets.

LCAO applauds you for recognizing that the nation faces a retirement income crisis. As you cogently explained, in your remarks to the 2015 White House Conference on Aging:

> "[M]ost workers don't have a traditional pension -- what we used to understand as a defined benefit pension where you were guaranteed a certain amount every year once you retired. A Social Security check on its own oftentimes is not enough. And even though, as a consequence of some of the steps that we took, we pulled ourselves out of a terrible financial crisis and the stock market has now doubled since I took office -- which means that it's replenished the 401(k)s for millions of families -- so that's been important for millions of families across the country, but a lot of people don't have any kind of retirement account at all."

LCAO respectfully urges you to propose legislation that expands Social Security's modest benefits while restoring the entire program, including Social Security Disability Insurance, to long-range actuarial balance. Over a half-dozen bills that do just that have been introduced in this session of Congress alone. Poll after poll consistently shows that the vast majority of Americans -- irrespective of age, gender, race, ethnicity, political affiliation or ideology – support Social Security, favor its expansion, and are willing to pay more to protect and preserve the program.

Automatic Workplace Individual Retirement Accounts (IRAs)

LCAO has serious reservations with your Automatic Workplace Individual Retirement Accounts ("Auto-IRA") proposal. As a general matter, what all but the wealthiest Americans need for a secure retirement is insurance in the form of Social Security, private pension, or insurance annuities. While saving is important for everyone, most people lack savings for higher education, a down payment on a home, or even an emergency – all much more pressing and immediate needs for most than retirement.

LCAO is concerned that your Auto-IRA proposal could inadvertently but calamitously force low-income workers, who fail to opt out and, as a consequence, find themselves with insufficient funds to pay their bills, driven to payday lenders.

Moreover, while Auto-IRAs would make it easier for more people to save in the workplace, all of the risks and responsibilities of retirement saving would still be shouldered by individuals, and there would be no assurance that the amounts accumulated would be either sufficient or safe. One of several concerns is that the high fees charged by financial institutions for setting up and maintaining such investment accounts would effectively reduce a worker's rate of return.

LCAO does not believe that Auto-IRAs are worth the cost in lost income and urges instead, or certainly in addition, efforts to expand Social Security, protect public pensions, and encourage private employers to once again offer defined benefit pension plans.

At the very least, if you once again propose an Auto-IRA proposal, the proposal should include safeguards against unintentional harm to lower-income workers and retirees. This is a particular concern with regard to asset limits in means-tested programs such as Supplemental Security Income (SSI) and Medicaid, on which many low-income people depend.

Means-tested programs generally do not consider the value of employer-sponsored defined benefit pension plans when establishing an applicant's assets, but they do count the money held in defined contribution plans, such as 401(k)s and IRAs. This unequal policy can encourage low-income people to quickly spend their meager savings in order to qualify for the income and health care benefits they desperately need. At least some of the money held in these accounts should be excluded in order to encourage more low-income people to save and to make sure they are not penalized for doing so.

Along with Auto-IRAs, LCAO hopes the Administration will support measures to preserve traditional pension plans, improve consumer protections in 401(k)s and similar retirement savings plans, and promote new approaches that will ensure that current and future workers can retire with adequate income and financial security.

Response to Projection of No COLA in 2016

LCAO respectfully requests that the President's FY 2017 Budget include a proposal to provide eligible Social Security, SSI, Veterans Affairs, Railroad Retirement Board, and public service pension beneficiaries with either a one-time payment of $250 or some other relief to compensate for the lack of a COLA in FY 2017. A one-time $250 payment, which represents less than two percent of the average annual Social Security benefit, will put money in the pockets of millions of older Americans trying to make ends meet - money likely to be injected directly into the economy.

As it stands, seniors across the country face the likely possibility that on October 15th, the Social Security Administration will announce for only the third time ever that there will not be a cost-of-living adjustment (COLA) in Social Security benefits. Although economy-wide measures of inflation have shown no net increase since the last COLA, out-of-pocket health care costs have continued to rise. This has had a significant impact on seniors, despite the "hold harmless" provision that protects about 70 percent of those receiving Medicare against increases in Medicare Part B premiums in years when there is no COLA. Instead, the full premium increase will be shouldered by just 30 percent of beneficiaries, resulting in about an immediate 50 percent increase in their premiums, unless corrective action is taken.

In addition to assisting those who are not scheduled to receive a cost of living adjustment, LCAO urges you to assist those scheduled to have an immediate, steep increase in Medicare Part B premiums.

Social Security Administration FY 2017 Budget

For over 70 years, Social Security has guaranteed income for working families should the family wage earner die, retire, or become disabled. Today, these programs provide benefits for more than 59 million Americans. Beneficiaries depend on the Social Security Administration (SSA) and its staff to answer their questions and provide access to the benefits to which they are entitled. It is critically important that SSA be allowed to spend a tiny fraction more of Social Security's surplus and be provided with sufficient funding to continue delivering vital services to the retired and disabled. Therefore, LCAO requests that the President include adequate funding for the Social Security Administration in the FY 2017 Budget.

At a time when 10,000 Americans are turning 65 every day, and the backlog of those awaiting a hearing on their applications for disability benefits is once again growing, adequate administrative funding would allow the agency to increase staffing; improve key service delivery areas, such as processing initial retirement and disability claims and disability appeals; and maintain the essential Social Security services upon which millions of Americans have come to rely.

Supplemental Security Income

The Supplemental Security Income (SSI) program provides a safety net for millions of low-income elderly, blind and disabled individuals. Under SSI, enrollees who demonstrate severe economic need are eligible for financial assistance to help meet the basic costs of food and shelter. The program's general and earned income exclusions and its $2,000 resource limit have not changed in decades – a serious situation that needs to be addressed.

LCAO believes these should be increased to reflect, at a minimum, the rise in the cost of living since they were first enacted. We also believe that the SSI transfer of assets penalty is far harsher than in Medicaid long-term care and serves no purpose. Furthermore, it greatly increases the administrative burden on SSA staff.

In order to ensure that the neediest seniors receive critical SSI benefits, we recommend that an effective outreach program be developed and funded. In addition, the application for SSI should be simplified to be more appropriate for the population SSI serves. Many SSI recipients do not speak English (approximately 40 percent of applicants over age 65 have limited English proficiency). Large numbers have low literacy rates, limited cognitive abilities or emotional disabilities. A complicated applications process can be a barrier for those who most need SSI assistance.

Further complicating the process is the current processing time. After a person files an SSI application, the average amount of time to receive a decision is several months. While waiting for the decision, an SSI applicant is often forced to decide between paying for food and paying for other necessities. An even more serious problem for those who face suspensions or reductions in their SSI benefits is the length of time required to resolve non-disability issues.

Because backlogs in local Social Security offices are so large, appeals are not processed in a timely manner. Many SSI beneficiaries wait for months for decisions on their appeals.

SSA must undertake a major effort to augment its services for the increasingly diverse and limited English proficient SSI applicants and recipients. All too often, they receive no assistance in filling out the complex forms. So that SSA can more adequately provide the necessary services, LCAO recommends a significant increase in SSI's allocation for administrative expenses, which should be used to support an overworked and under-trained staff.