



July 27, 2011

The Honorable John Boehner  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Harry Reid  
Senate Majority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Nancy Pelosi  
House Minority Leader  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Mitch McConnell  
Senate Minority Leader  
U.S. Senate  
Washington, DC 20510

Dear Speaker Boehner, Majority Leader Reid, Minority Leader Pelosi, and Minority Leader McConnell:

**President**  
Irene B. Collins  
Alabama

I write today on behalf of the National Association of States United for Aging and Disabilities (NASUAD), our members, and the seniors, family caregivers, and persons with disabilities they serve. NASUAD represents the 56 officially designated state and territorial agencies on aging. Each of our members oversees the implementation of the Older Americans Act (OAA), and many of our members serve as the operating agency in their states for Medicaid home and community based services (HCBS) waivers that serve older adults, and individuals with disabilities.

**Vice President**  
James Toews  
Oregon

**Treasurer**  
Charles D. Johnson  
Illinois

While NASUAD understands the negotiations surrounding an increase to the debt ceiling and achieve long-term deficit reduction necessitate difficult choices, we encourage you to consider the impact of any funding reductions that simply shift costs to the states, or disproportionately target programs of critical importance to our nation's most vulnerable citizens, including older adults and individuals with disabilities. Reducing the availability and efficacy of the long-term services and supports on which so many of these individuals rely would force into more costly settings, such as government-financed institutions, adding to the nation's debt in the long-term. In addition to the cost to federal and state governments, eliminating vital social services and safety net programs would cost older Americans and persons with disabilities their dignity and independence. **As you look to achieve immediate savings and long-term deficit reduction, NASUAD offers the following recommendations, and urges you to consider the consequences of your decisions on the most vulnerable among us:**

**Secretary**  
Carol Sala  
Nevada

**Immediate Past President**  
Patricia A. Polansky  
New Jersey

#### Older Americans Act Programs

**Past President**  
Kathy Leitch  
Washington

During an economic downturn, our first priority should be those who are most vulnerable, including older Americans. The senior nutrition programs, and all Older Americans Act (OAA) programs, target this very population. In fact, demand for services increased as seniors lost income during this economic downturn. In FY10, more than half of the states reported increased demands for information and referrals, home-delivered meals, respite care, case

management, personal care, family caregiver support, transportation, and homemaker services. Eliminating or reducing funding to OAA programs, which allow older adults to receive services in their homes and communities, would jeopardize their ability to remain in a setting of their choosing by forcing many of them into services such as costly Medicaid-financed institutions. This erosion of available home and community based supports would cost the federal government more in the longer-term than it would to reject funding reductions in the present, and adequately fund the OAA programs, services, and supports that allow older adults to remain independent. **NASUAD urges you to consider the importance of sustaining OAA programs, which achieve cost savings while helping our nation's most vulnerable citizens remain in a setting of their choice.**

## Medicaid

Medicaid is one of the state's largest expenditures, with low-income older adults and individuals with disabilities increasingly depending on its services during difficult economic times. Any spending reductions within the Medicaid program should not shift costs to states, which have been gravely impacted by the national recession, or to those who can least afford it, such as Medicaid beneficiaries. Currently, older adults and people with disabilities account for two-thirds of all Medicaid spending, and many of these individuals have exhausted all of their resources, turning to Medicaid as a last resort to help meet their long-term care needs. By providing long-term services and supports that these beneficiaries need in order to remain in their homes and avoid costly institutionalizations, the Medicaid program is an essential support for millions of beneficiaries, as well as for their families and caregivers.

Adding to the fiscal challenges facing state Medicaid programs is the recent expiration of the American Recovery and Reinvestment Act of 2009 (ARRA)-enhanced FMAP. Effective from October 2008 through December 2010, and then extended at lower levels through June 2011, the increased match rate played a critical role in providing Medicaid coverage to many who would have otherwise been uninsured as a result of the increased demand for services amid the economic downturn. With these funds no longer available, states are facing declines in the federal match they have been receiving from the government, which effectively increases their share of Medicaid's financing. The loss of this federal relief makes economic recovery even more difficult, and it increases the pressure at the state level to reduce Medicaid spending, where high unemployment continues to drive the demand for Medicaid services. In seeking a strategy to reduce the federal deficit, Congress should reject proposals that magnify the loss of this enhanced match rate by shifting costs to the states.

Reductions to Medicaid spending enacted through the negotiations to raise the debt ceiling would greatly impact the ability of the program to sustain home and community based long-term services and supports, without which many Medicaid beneficiaries would be forced into costly institutions. As the cost of these unnecessary institutionalizations would be paid for by Medicaid, reducing Medicaid spending in the short term would undermine budget reduction efforts by increasing the program's cost to federal and state governments in the longer term. Since federal cuts to Medicaid and shifting costs to the states will not reduce the federal deficit or improve the quality of life for beneficiaries, **NASUAD urges you to maintain the integrity of the Medicaid program, which often acts as a lifeline for older adults, individuals with disabilities, their families and caregivers.**

## Medicare

Medicare was created to protect older Americans, many of whom, prior to 1965, were unable to access or afford health care coverage. Forty-six years later, older Americans and persons with disabilities still need this protection, as half of all Medicare consumers have annual household incomes below \$22,000.

Chronic diseases, such as diabetes, arthritis, and hypertension, account for more than 75 percent of Medicare spending, and a long-term solution to control cost growth should focus on better managing the health of these patients, not eliminating the preventive services that are designed to address potential risk factors before a costly medical problem, such as a chronic condition, develops. Rescinding programs and reducing funds for preventive services under Medicare, such as those authorized by the Affordable Care Act, would prevent beneficiaries from receiving the very care that is designed to reduce costs to the program and improve health outcomes over the long-term. Clearly, this is not a solution to reducing the nation's debt, or to enhancing the quality of life of these individuals, as failing to provide Medicare beneficiaries with preventive services would only increase costs to the federal government over the long-term. Such an approach is counterintuitive to reducing the federal deficit, and removing programs that provide preventive services will not put the country on the path to long-term fiscal responsibility. As you debate cost savings, on the 46<sup>th</sup> anniversary of Medicare's enactment, **NASUAD urges you to consider the impact that defunding preventive services under Medicaid would have to the long-term deficit, and on our nation's most vulnerable citizens.**

## Dual Eligibles

Dual eligibles are individuals who qualify for both Medicare and Medicaid benefits. Collectively, these beneficiaries tend to have lower incomes, more problematic health conditions, more functional impairments, and use more health care services than the general Medicare population. Unsurprisingly, these individuals are also more expensive, costing the Medicare program twice as much as non-dual enrollees, and accounting for almost 40 percent of Medicaid expenditures, despite making up only 15 percent of the Medicaid population.

Within this category, there is a subset of individuals known as 'pre-duals' who are not eligible for full Medicaid benefits, and only receive Medicaid assistance with Medicare premiums and cost-sharing. As states seek to lower their share of Medicaid costs amid the growing pressure to do so, the importance of addressing this population and its significant health needs is critical to achieving health savings. Significantly, many of the preventive services available under Medicare, Medicaid, and the OAA can address medical needs before they become costly chronic conditions. To most responsibly, and effectively, contain long-term health care cost growth, **NASUAD urges you to reject any reductions to necessary pre-dual services and supports.**

## SSBG

The Social Services Block Grant (SSBG) is a flexible source of funds that states use to support a variety of social services activities that are critical to maintaining the health and safety of older adults and individuals with disabilities, and state and local governments have long relied on the this flexibility in determining how to best meet the unique needs of their state's population. For

example, in the absence of a dedicated federal funding source for adult protective services, many states dedicate their SSBG funds to serving this vulnerable population.

During the welfare reform debate of 1996, Congress brokered a bipartisan, bicameral deal to temporarily reduce SSBG funding from \$2.8 billion to \$2.38 billion, with a promise to restore the program's funding once the nation's fiscal condition improved. However, when Congress found itself with a balanced budget in 1999, instead of fully funding SSBG at \$2.8 billion, lawmakers further reduced the program's funding to \$1.7 billion. In the late 1990's, this 'temporary' funding reduction was brokered at a time when Congress was searching for revenue to balance the federal budget. By targeting SSBG in the context of the current deficit reduction debate, Congress would break its promise to the nation's most vulnerable citizens for a second time. Imposing additional cuts or eliminating SSBG would have serious consequences, and **NASUAD urges you to reject any deficit reduction proposals that threaten this critical funding source.**

### SNAP

Funded through the U.S. Department of Agriculture, the Supplemental Nutrition Assistance Program (SNAP) is the primary source of nutrition assistance for many low-income Americans, and one-third of SNAP recipients are older adults or individuals with disabilities. Through its modest monthly benefit, the SNAP program helps individuals offset their household expenses, lifting 4.6 million Americans above the poverty line, including 200,000 seniors, in 2009. Distinct from the vital OAA nutrition programs, which provide congregate and home-delivered meals to older adults, the SNAP program helps low-income individuals purchase food at authorized stores using a debit-like card. The need for food assistance has increased dramatically during the prolonged and severe recession, with the number of individuals participating in the program reaching 44 million in May of 2011, representing the highest number since the program began in 1939 and the 37<sup>th</sup> straight monthly increase. Meeting the need for food assistance is especially critical for our most vulnerable citizens, for whom the consequences of hunger and poor nutrition are often the most severe. Cutting the SNAP program, the cornerstone of the federal nutrition safety net, would result in hundreds of thousands of older adults and individuals with disabilities losing this much-needed assistance. As you work to address the serious fiscal challenges facing our nation, **NASUAD urges you to reject cuts to the SNAP program, and instead work to safeguard the essential food and nutrition programs which protect millions of struggling families from hunger and improve nutrition among our most vulnerable citizens.**

### CSFP

Administered by the U.S. Department of Agriculture, the Commodity Supplement Food Program (CSFP) leverages government buying power to provide nutritionally balanced food packages to more than 600,000 low-income people each month at less than half the average retail value. More than 96 percent of those benefiting from this program are older adults with incomes at less than 130 percent of the federal poverty level, approximately \$14,000 for a single adult living alone. Unlike the SNAP program, CSFP provides actual food rather than an electronic debit card for purchasing food, and unlike the OAA nutrition programs, CSFP food packages do not provide a complete diet, but rather are sources of nutrients typically lacking in the target population, such as canned goods, peanut butter, and dry beans. To help maintain this critical source of nutrition for those who need it the most, **NASUAD urges you to support adequate CSFP**

**funding, as this program is necessary to effectively address the hunger crisis among vulnerable Americans.**

#### LIHEAP Contingency Fund

The Low Income Home Energy Assistance Program (LIHEAP) contingency fund is a critical funding source for home energy needs arising from an emergency situation, such as extreme weather conditions or energy price increases. Generally, funds are distributed based on the degree of severity of the emergency in a state. Forty percent of LIHEAP recipients are from households with at least one resident who is over the age of 60. **NASUAD urges you not to slash LIHEAP funding, as this would endanger seniors and individuals with disabilities when they are most vulnerable to extreme conditions.**

#### Section 202 Supportive Housing for the Elderly Program

The Section 202 Supportive Housing for the Elderly Program is vital to addressing the lack of affordable senior housing, a resource that is increasing in scarcity as the Baby Boomers age, and currently, ten seniors wait for each federal housing assistance unit that becomes available. Housing assistance can mean the difference between meeting basic monthly needs and going without, and the shortage of affordable housing is a major barrier in transitioning individuals from nursing homes back into the community, which strains the Medicaid program and state budgets. **NASUAD urges you to maintain funds for Section 202 Housing for the Elderly, as it is critical to keeping older adults in their communities, and necessary in order to transition them out of costly institutions.**

#### Corporation for National and Community Service – Senior Corps

The Senior Corps programs, conceived during the Kennedy presidency, link over 500,000 Americans aged 55 and older to service opportunities. The Foster Grandparent Program connects older volunteers with opportunities to provide mentoring and support to children and young people with exceptional needs. Additionally, the Retired and Senior Volunteer Program volunteers help 676,000 older Americans live independently, mentor more than 16,000 children, and provide assistance to victims of natural disasters. Finally, the Senior Companion Program provides the support needed to help thousands of frail older adults remain independent in their homes at a cost much lower than institutional care, and also provides much needed respite to family caregivers. In each of these programs, volunteers serve as important community resources and derive significant emotional and health benefits, which can improve their own quality of life. **NASUAD urges you to recognize the need for these important initiatives, and to finalize a debt reduction framework that maintains Senior Corps program funding levels.**

#### CSBG

Administered by the Administration for Children and Families, the purpose of the Community Services Block Grant (CSBG) program is to alleviate the causes and conditions of poverty in communities. The typical CSBG program participants are low-income families and individuals struggling to maintain self-sufficiency due to economic and social barriers, including 2.3 million older adults and individuals with disabilities. Grantee states have the flexibility to prioritize the allocation of their CSBG dollars in order to most effectively meet the need for services at the

community level. To lessen poverty among older adults and help them live independently in their communities, some states use CSBG funds to address gaps in the health care and coverage available at the community level by assisting individuals with Medicare and Medicaid enrollment, while other grantees may work to establish linkages between existing local and resources that bring services to CSBG participants, such as transportation and medical care programs. To reduce CSBG funding during the ongoing state budget crises for the sake of achieving savings at the federal level would be devastating to state CSBG programs, and to the vulnerable individuals they serve. Additionally, a lapse in service would likely result in many CSBG participants facing a gap in services, which could lead to costly hospital admissions and institutionalizations. Given the critical role of CSBG funding in providing assistance throughout the country, **NASUAD urges you to move forward with long and short term deficit reduction in a manner that does not jeopardize CSBG funding.**

Given the ongoing fiscal crisis facing nearly every state, and the corresponding increase in demand on social services and safety net programs, now is not the time to cut funding for the very initiatives on which some of our nation's most vulnerable populations depend. Stripping older adults and individuals with disabilities of the long-term services and supports that promote their dignity and independence is an ineffective, and unacceptable, solution to reducing the federal deficit. Restricting access to services and removing life-saving supports on which these vulnerable individuals depend forces them out of their homes and communities, and into more expensive institutionalized settings; a transition that diminishes their quality of life while increasing the cost of their care to the federal government. As you work to finalize a framework for reducing the federal deficit, NASUAD urges you to consider the unintended consequences of your decisions, and the impact of your strategies, on our most vulnerable citizens. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Martha Roherty". The signature is written in a cursive, flowing style.

Martha Roherty  
Executive Director