GSA’s Need to Know Webinar Series
What is Really Going on in Washington with Health and Aging Policy
November 9, 2017
Today’s Moderator
Brian Lindberg
GSA Policy Advisor
Policy Center

Welcome to GSA's policy branch, the National Academy on an Aging Society!

As a non-partisan public policy institute, the Academy actively conducts and compiles research on aging to inform public policy decisions.

Policy Publications

The Academy produces publications on aging-related issues with valuable policy recommendations.

Advocacy

GSA invites you to learn how to translate your research and your own opinions with policymakers.

Basic Toolkit

From writing letters to your Congressmen to Capitol Hill Visits, this basic toolkit will help you.

The Legislative Process

An overview of the types of legislation, the role of individual Members of Congress, and the legislative process.

Glossary of Legislative Terms

A listing of terms commonly used in connection with the legislative process.

Public Policy and Advocacy: The Basics

How to guide an interview to Congress, setting up meetings with legislative staff.

Roles of Congressional Staff

Learn the commonly used titles and principal functions of key staff.

Key Congressional Committees

View the most important committees for Aging and Health issues.

Hill Visit

Tips for your visit to Capitol Hill, from saying thank you to bringing a tool kit.

Map of the Capitol Complex

Use this map to minimize your chance of getting lost and help ensure effective meetings with your Congressmen.

GSA Fact Sheet

Carry this fact sheet to tell Congressional staff about the background and goals of GSA.
Tricia Neuman
Senior Vice President, Director on Program on Medicare Policy, Director on Project on Medicare’s Future
The Henry J. Kaiser Family Foundation
@tricia_neuman
Ellen Nissenbaum
Senior Vice President for Government Affairs
Center on Budget and Policy Priorities
@ellennissenbaum
Howard Bedlin
Vice President, Public Policy and Advocacy
National Council on Aging

@NCOAging
Budget, budget reconciliation, and the tax reform, oh my!
Outlook for Medicare

Percent of total Medicare population:

- Income less than $26,200: 50%
- Assets less than $74,450: 50%
- Functional Impairment (1+ ADL Limitations): 36%
- Cognitive/Mental Impairment: 34%
- Fair/Poor Health: 27%
- Dually-Eligible for Medicare and Medicaid: 20%

Medicare covers 58 million people in 2017

Five Policy Changes with Implications for Medicare

House tax bill – now in Committee
- Would increase federal deficit by $1.5 trillion (putting greater pressure on Congress to cut Medicare and Medicaid to reduce federal spending/deficits)
- Would eliminate deduction for medical expenses

Higher Medicare premiums for higher-income enrollees
- House-passed bill raises Part B/D premiums to offset cost of extending Children’s Health Insurance Program (CHIP)

Independent Payment Advisory Board (IPAB) repealed by House last week
- Estimated to increase Medicare spending by $17.5 billion (with no “offsets”); higher spending ultimately affects Medicare premiums and Trust Fund

CMMI interest in private contracting potentially through a demonstration

Structural reforms to Medicaid – including savings – as part of ACA repeal
- Could potentially affect up to 1 in 5 Medicare beneficiaries
### Overview of Medicare Part B and Part D Premiums in 2017

<table>
<thead>
<tr>
<th>Income for single people</th>
<th>Standard Part B and Part D premiums</th>
<th>Part B and Part D income-related premiums</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $85,000</td>
<td>$134</td>
<td>$36</td>
</tr>
<tr>
<td>$85,001 - $107,000</td>
<td>$188</td>
<td>$49</td>
</tr>
<tr>
<td>$107,001 - $160,000</td>
<td>$268</td>
<td>$70</td>
</tr>
<tr>
<td>$160,001 - $214,000</td>
<td>$348</td>
<td>$91</td>
</tr>
<tr>
<td>More than $214,000</td>
<td>$429</td>
<td>$112</td>
</tr>
</tbody>
</table>

**NOTE:** Amounts rounded to nearest dollar. ¹Part D standard premium reflects the unweighted 2017 national average monthly premium across all stand-alone PDPs and Medicare Advantage drug plans. Part D income-related premiums reflect the national average premium plus the income-related monthly adjustment amount. ²Part D standard premium covers 25.5% of program costs.

**SOURCE:** Kaiser Family Foundation illustration of 2017 Medicare Part B and Part D premiums.

### Standard Part B and Part D premiums

<table>
<thead>
<tr>
<th>Income thresholds in 2018</th>
<th>Part B and Part D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $85,000</td>
<td>$25%</td>
</tr>
<tr>
<td>$85,001 to $107,000</td>
<td>35%</td>
</tr>
<tr>
<td>$107,001 to $133,500</td>
<td>50%</td>
</tr>
<tr>
<td>$133,501 to $160,000</td>
<td>65%</td>
</tr>
<tr>
<td>$160,001 to less than $500,000*</td>
<td>80%</td>
</tr>
<tr>
<td>$500,000 or more*</td>
<td>100%</td>
</tr>
</tbody>
</table>

### Part B and Part D income-related premiums

<table>
<thead>
<tr>
<th>% of Part B/D costs paid...</th>
<th>...under current law</th>
</tr>
</thead>
<tbody>
<tr>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>35%</td>
<td>35%</td>
</tr>
<tr>
<td>50%</td>
<td>50%</td>
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<tr>
<td>65%</td>
<td>65%</td>
</tr>
<tr>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>80%</td>
<td>80%</td>
</tr>
</tbody>
</table>

NOTE: The Part D standard premium covers 25.5% of program costs. *For married couples, this amount is 1.75 times the single beneficiary’s amount, or $875,000 in 2018.

Medicare Reforms on a Longer-Term Horizon: Five Medicare Policy Changes to Watch

1. Raise the age of Medicare eligibility to 67
2. Adopt premium support/defined contribution system – expanded role for private plans in lieu of traditional Medicare
3. Prohibit first-dollar supplemental coverage
4. Modify cost-sharing under traditional Medicare
5. Adopt policies to leverage lower drug prices for Medicare
Next Generation of Medicare Beneficiaries Can Expect Some Gains in Income and Savings, but mainly at the top

NOTE: All incomes are adjusted to 2016 dollars.

Opportunities to Strengthen Medicare
(Do not appear to be on the horizon)

Establish out-of-pocket cap for Medicare-covered services under traditional Medicare
  Required for Medicare Advantage plans
  Required for ACA Marketplace plans

Fill gaps in benefits that result in high out-of-pocket spending for beneficiaries
  Dental, hearing, vision benefits
  Long-term services and supports

Establish a hard cap on Part D prescription drug spending

(more to come...
1 million Medicare Part D enrollees had out-of-pocket drug costs above the catastrophic coverage threshold because Part D does not have a hard cap on spending.

Number of Part D enrollees without low-income subsidies:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Enrollees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>407,240</td>
</tr>
<tr>
<td>2008</td>
<td>424,260</td>
</tr>
<tr>
<td>2009</td>
<td>397,680</td>
</tr>
<tr>
<td>2010</td>
<td>380,380</td>
</tr>
<tr>
<td>2011</td>
<td>483,640</td>
</tr>
<tr>
<td>2012</td>
<td>516,580</td>
</tr>
<tr>
<td>2013</td>
<td>681,860</td>
</tr>
<tr>
<td>2014</td>
<td>891,720</td>
</tr>
<tr>
<td>2015</td>
<td>1,002,700</td>
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NOTE: Analysis includes enrollees in stand-alone prescription drug plans and Medicare Advantage drug plans. Out-of-pocket costs include Part D drug costs, but not Part D premiums or costs for Part B-covered drugs.

Opportunities to Strengthen Medicare
(Do not appear to be on the horizon, cont.)

Require guaranteed issue rights for Medigap policies
   Allow beneficiaries in all states to switch between Medicare Advantage and traditional Medicare without being denied due to pre-existing conditions

Strengthen protections for low-income Medicare beneficiaries
   Lift or repeal asset test for Medicare Savings Programs and LIS (similar to ACA)
   Life income eligibility stands (similar to ACA)

Financing to meet the needs of an aging population
Medicaid Updates
Federal Budget and Senior Programs

- A Continuing Resolution, with programs level funded, expires on December 8th. It is expected to be extended into late January or February.
- The Administration’s budget proposed to eliminate SCSEP, SHIPs, Senior Corps programs, LIHEAP, SSBG and CSBG.
- The House LHHSE Committee bill would cut the Senior Community Service Employment Program (SCSEP) from $400m to $300m.
- The same bill would eliminate the Medicare State Health Insurance Assistance Program (SHIP). Current funding is $47 million.
- See funding table: [https://www.ncoa.org/resources/federal-budget-fy18-aging-program-funding-table/](https://www.ncoa.org/resources/federal-budget-fy18-aging-program-funding-table/)
- In the Senate, 60 votes needed to pass, so 8 Democratic votes are needed.
Tax Reform Implications for Seniors

A November 8 Leadership Council of Aging Organizations (LCAO) statement on the House bill (http://www.lcao.org/statement-house-tax-reform/) focused on:

- Older Americans will be among the big losers if the House tax reform bill under consideration passes. Republican leaders have made it clear that their fiscally irresponsible $1.5 trillion increase in the federal budget deficit will result in major cuts in to Medicare, Medicaid, discretionary programs like the Older Americans Act, and may be used as an excuse to cut Social Security.

- LCAO is also concerned about the proposal to repeal the Medical Expense Deduction. Approximately five million taxpayers over age 65 use the medical expense deduction to reduce potentially bankrupting out-of-pocket medical expenses, such as paying for expensive nursing home care.

- LCAO is deeply disappointed that votes will be taken in the House without a single hearing being held on the details of the bill. Americans deserve careful deliberation and understanding, not a rush to judgment to meet arbitrary deadlines.
Medicaid Policy Issues for Older Americans

• Medicaid is a lifeline for 7 million low-income seniors. The program pays over 60% of American’s long-term care needs and covers 2 in 3 nursing home residents, as well as providing Medicare low-income protections.

• The failed legislative attempts to repeal provisions of the Affordable Care Act would have also cut Medicaid by about $800-$900 billion and impose harsh per capita caps. Under such caps, the federal government would provide states with limited payments based on a preset formula that fail to grow at the actual cost of care, and fail to reflect changing needs among states and the low-income people they serve.

• CMS is expected to give states far more flexibility through Medicaid waivers.

• Advocates continue to recommend proposals to improve access to Medicaid Home and Community Based Services (HCBS).
Year-End “Extenders” Bill

Congress is expected to pass a health “extenders” bill by the end of this year, largely driven by bipartisan support for expiring Children’s Health Insurance Program (CHIP) and Community Health Center funding.


1) Offsets not raising beneficiary costs or cutting benefits
   a. Prevention and Public Health Fund
   b. Further income-relating premiums

2) Extending current Medicare low-income outreach and enrollment funding

3) Therapy cap exceptions

4) Extending the Medicaid HCBS Money Follows the Person (MFP) program
Chronic Care
Questions from the Audience
Join the Conversation on GSA Connect