January 8, 2010

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington, D.C. 20515

Dear Majority Leader Reid and Speaker Pelosi:

The Leadership Council of Aging Organizations (LCAO) applauds the extraordinary efforts of the U.S. Senate and House of Representatives to reform our nation’s health care system. We urge that you preserve provisions important to older adults and consider the comments below as you merge the House-passed Affordable Health Care for America Act (H.R. 3962) and Senate-passed Patient Protection and Affordable Care Act (H.R. 3590).

The LCAO strongly supports a number of elements currently in the House and/or Senate bills and believes they should be a part of the final bill, including:

- Closure of the Medicare Part D doughnut hole,
- Elimination of Medicare Advantage overpayments,
- CLASS program provisions,
- Nursing home transparency and improvement,
- Criminal background checks for employees of long-term care providers,
- Provisions to support and bolster the health care workforce,
- Improved care coordination services for chronic conditions, and
- A reinsurance fund for pre-Medicare eligible (55-64) retirees.

We are, however, deeply concerned about H.R. 3590’s provisions for an Independent Payment Advisory Board (IPAB). While we support efforts to contain health care costs while maintaining quality, we are opposed to approaches such as the IPAB that rely too heavily on the Medicare program to achieve cost-containment objectives. Instead, public and private sector health care costs must be considered and addressed simultaneously in order to have a lasting and equitable impact. Furthermore, Congress should not abdicate its role of determining benefits and cost-sharing for Medicare – a critical and highly-successful program which provides tens of millions of older and disabled Americans with access to health care.

In areas of significant difference between H.R. 3962 and H.R. 3590, we strongly urge you to include the following provisions in the final bill:
Home and Community-Based Services (HCBS)
H.R. 3590 includes long-term services and supports (LTSS) provisions the LCAO strongly supports. First, the Community First Choice option would enable more Medicaid beneficiaries to remain in their communities by providing a state plan option for community-based attendant services and supports to individuals with disabilities—and there is an enhanced federal match rate available to states that take up the option. H.R. 3590 also includes language from the Home and Community Balanced Incentives Act that would similarly provide an incentive to increase access to HCBS through a targeted increase in the federal Medicaid match for states that make structural changes to balance their Medicaid long-term services and supports systems. Furthermore, the bill includes important protection against spousal impoverishment in Medicaid HCBS programs by requiring states to apply the same rules currently applied to spouses of Medicaid nursing home residents. The LCAO also supports provisions in H.R. 3590 for extension of the Money Follows the Person Rebalancing Demonstration program through September 2016 and allocation of $10 million/year for five years for the Aging and Disability Resource Centers initiative. Finally, LCAO supports provisions in H.R. 3590 that make improvements in the Medicaid HCBS state plan option to encourage states to use this option to expand HCBS.

Medicare Low-Income Provisions
The LCAO applauds provisions in both H.R. 3962 and H.R. 3590 that help low-income seniors afford care through the expansion of low-income subsidies in the Medicare program. We believe that the final bill must include provisions from H.R. 3962 which expand eligibility and increase enrollment for the Medicare Savings Programs (MSPs) and the Part D low-income subsidy (LIS) such as: increasing asset limits for these programs to $17,000 for individuals and $34,000 for couples, indexed to inflation; extension of the Qualified Individual program through 2012; and authorization for the Internal Revenue Services to share certain information with the Social Security Administration to improve targeted outreach to low-income Medicare beneficiaries. We urge the further alignment of eligibility criteria between the two programs in order to increase participation. Currently, more than two-thirds of those eligible for MSPs do not participate, and nearly 4 million individuals eligible for LIS are not enrolled.

Elder Justice
The LCAO urges you to include the Elder Justice Act provisions from H.R. 3590 in the final bill in order to provide support and infrastructure for a combined law enforcement and social service approach to prevent elder abuse, neglect, and exploitation. Elder abuse is a serious health issue, making it germane to the health care reform bill. Abuse often results in serious physical and mental health problems for victims, thus increasing their health care needs. When older persons lose their life savings to financial exploitation, instead of being able to pay for their own care, they lose their independence and may be forced to become dependent on Medicaid. These important provisions offer the opportunity to conduct necessary research, provide training, respond to the needs of victims, and hold offenders accountable.

Age Rating of Insurance Premiums
The LCAO opposes age rating of insurance premiums and strongly supports the need to ensure affordable premiums for everyone regardless of age. Data released in October by the Robert Wood Johnson Foundation (RWJF) and the Urban Institute show that age rating makes
health insurance unaffordable for many older people, and analysis of markets where age rating is prohibited refutes insurance industry claims that it is needed to prevent premiums from becoming unaffordable for younger adults. If, given the inclusion of some level of age rating in both H.R. 3962 and H.R. 3590, it is impossible to eliminate these discriminatory provisions entirely, we urge you to make age rating provisions in the final bill the lowest possible.

Medicare Part D: Cost Controls, Outreach & Assistance, Enrollment Periods
LCAO is very supportive of provisions in the House and Senate bills that support effective ways to keep drug costs down, including H.R. 3962’s provisions giving the Secretary of HHS real authority to negotiate drug prices for Medicare Part D. LCAO also supports provisions for a total of $45 million between FY 2010 and 2012 to support outreach and assistance for Part D and low-income prescription drug programs, disease prevention and promotion of wellness by State Health Insurance Assistance Programs (SHIPS), Area Agencies on Aging (AAAs), Aging and Disability Resource Centers (ADRCs), and the National Center for Benefits and Outreach Enrollment. Furthermore, we urge you to include provisions from H.R. 3590 to simplify the annual beneficiary election period for Part D plans by moving and extending the period to October 15-December 7, and eliminating the additional open enrollment period for Medicare Advantage (MA) plans.

Prevention and Wellness
LCAO applauds language in both the House and Senate bills that provides funding for wellness and prevention. However, in many cases these funds are distributed through the CDC and public health departments and are limited to programs authorized by the Public Health Service Act. While the CDC is certainly a key agency in delivering prevention and wellness activities, there are several other agencies within HHS that also administer prevention and wellness programs to specific populations, such as the Administration on Aging does for older adults. As drafted, the language in the House and Senate bills would preclude these other agencies from receiving funds. We urge you to modify the language to allow the Secretary the flexibility to also distribute the funding through the Administration on Aging, as is currently done for evidence-based health promotion and disease prevention programs. Additionally, we strongly support language in Sec. 4202 of the Senate-passed bill, which provides $50 million in funding to evaluate prevention programs administered by the Administration on Aging. We urge you to make these funds available to support demonstrations of the programs being evaluated, and to evaluate corresponding online programs.

We greatly appreciate your efforts to reform the health system so that all Americans may access affordable, high-quality services and care. Thank you for your consideration of our recommendations for provisions which are optimal for older adults.

Sincerely,

John Rother
Chair, Leadership Council of Aging Organizations
Cc:
The Honorable Max Baucus, Chair, Committee on Finance, U.S. Senate
The Honorable Tom Harkin, Chair, Committee on Health, Education, Labor & Pensions, U.S. Senate
The Honorable George Miller, Chair, Committee on Education & Labor, U.S. House of Representatives
The Honorable Charles B. Rangel, Chair, Committee on Ways and Means, U. S. House of Representatives
The Honorable Henry A. Waxman, Chair, Committee on Energy and Commerce, U.S. House of Representatives