December 4, 2023

Dear Members of Congress:

The Leadership Council of Aging Organizations (LCAO) is a coalition of 68 national nonprofit organizations concerned with the well-being of America's older population and committed to representing their interests in policy-making arenas. LCAO encourages elected officials to support older Americans as they age at home and in the community.

LCAO strongly believes that Congress needs to strengthen the solvency of our nation’s retirement programs and work to expand benefits and program solvency. That said, we are extremely concerned with efforts to create a fiscal commission that would force changes to many programs that older Americans rely on. In our view, fiscal commissions of any kind are nothing more than thinly veiled attempts to create justifications for enacting deep cuts to Social Security, Medicare, Medicaid and other critical government programs.

Elected officials are fully aware that the ideas espoused by fiscal commissions could not pass Congress on their own or via regular order because of their unpopularity with the American public. Proposals included in any fiscal commission are clearly designed to elude accountability for enacting painful benefit cuts on the American people, while simultaneously eviscerating the underpinnings of our nation’s long standing and secure retirement programs and commitment to providing other critical support to older Americans. Many fiscal commission proposals bypass the normal legislative process, which make it harder for the American public to have the opportunity to provide input into the discussion on policies that significantly impact their lives. This approach could serve to undermine an important tenet of discourse in our democracy.

It should also be noted that Social Security does not contribute to the federal debt or the deficit. By law, the Social Security Administration cannot borrow funds. The program has its own dedicated revenue source, specifically, payroll contributions from workers (currently 6.2%, and matching 6.2% from one’s employer) as well as interest on special interest bonds and revenue from higher earners who pay taxes on their Social Security earnings. In addition, Congress is already moving policies to change the trajectory of Medicare. For example, it has enacted laws to slow the pace of Medicare costs to health care, such as the recent Part D changes made in the Inflation Reduction Act, which will hold down future costs and assist beneficiaries to more easily afford the cost of their prescription drugs. Congress should allow policies like these to take hold and understand their impacts on Medicare costs.

In addition, we remain deeply concerned about potential cuts and policies that would undermine other programs and services on which older Americans rely. Medicaid helps 7.2 million older Americans afford health care and is the largest payer for long term care in the country, while the Supplemental Nutrition Assistance Program (SNAP) assists over five million seniors to afford food.
Slashing Medicaid and SNAP would substantially impact older Americans and their families, making it harder for them to afford and address life-sustaining basic needs. Moreover, to decrease hardship for older Americans, non-defense discretionary programs that provide vital services need more investment, not less. Irrespective of whether these investments address nutrition, housing, community-based care or any of the numerous other programs, including those authorized by the Older Americans Act, these programs are critical to helping millions of older adults age with dignity, health, and independence in their homes and communities while providing vital support to their family caregivers. There are paths forward, including revenue policies, that would not increase poverty or exacerbate financial insecurity for Older Americans and the nation at large, and we believe that. Congress should work to pursue these avenues and not hide behind a commission.

Two proposals to set up a fiscal commission introduced this Congress include legislation introduced by Rep. Bill Huizenga (R-MI), the Fiscal Commission Act of 2023, and its Senate counterpart, the Fiscal Stability Act, introduced by Senators Manchin (D-WV) and Romney (R-UT). The bills would establish a 16-member “Fiscal Commission” appointed by congressional leaders, twelve of which would be members of Congress, while the other four would be “outside experts.” The legislation requires recommendations to be made on how to stabilize the debt to GDP ratio and to improve the solvency of Social Security and Medicare for at least 75 years. The Commission’s recommendations would then be delivered to Congress, with the requirement that each chamber conduct an immediate up or down vote on approval without any opportunities for changes or amendments. Not surprisingly, the bills are strongly skewed toward budget and benefit cuts instead of the revenue increases necessary to extend the solvency of the Social Security and Medicare programs.

As opposed to creating a fiscal commission designed to furtively slash health and retirement benefits to Social Security, Medicare and Medicaid without accountability, LCAO strongly encourages Congress to support legislation introduced this session that increases Social Security and Medicare benefits and extends the solvency of both of these indispensable programs. For example, one fair and practical way to accomplish this is to lift the cap on Social Security payroll taxes, currently at $160,200 per year, forcing high-income Americans to pay their fair share of taxes to bolster the system’s finances.

Sincerely,

Richard J. Fiesta