



601 E Street, NW | Washington, DC 20049
202-434-2277 | 1-888-OUR-AARP | 1-888-687-2277 | TTY: 1-877-434-7598
www.aarp.org | twitter: @aarp | facebook.com/aarp | youtube.com/aarp

March 17, 2017

President Donald J. Trump
The White House
1600 Pennsylvania Ave. NW
Washington, DC 20500

RE: FY 2018 Budget Request

Dear President Trump:

As the largest nonprofit, nonpartisan organization representing the interests of Americans age 50 and older and their families, AARP respectfully urges the Administration to provide sufficient funding for programs important for older Americans and their families as the FY 2018 budget process moves forward.

AARP, with its nearly 38 million members in all 50 states and the District of Columbia, Puerto Rico, and U.S. Virgin Islands, is a nonpartisan, nonprofit, nationwide organization that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as healthcare, employment and income security, retirement planning, affordable utilities and protection from financial abuse.

FY 2018 Budget

AARP is disappointed that the Administration's budget outline proposes significant cuts to health care and social services that are vital to seniors, the poor and other vulnerable populations. As the budget process proceeds, we would encourage the Administration to reconsider the proposed cuts to important programs, including NIH's health care research, LIHEAP energy assistance programs, community service employment for older workers, housing and legal assistance to the poor and elderly, and transit and transportation programs serving the disabled and elderly.

Medicare and Social Security

Our members count on Medicare and Social Security and believe the programs must be protected and strengthened for today's seniors and future generations. We are pleased that you have pledged to protect Social Security and Medicare and that the FY 2018 budget request reflects this. Unfortunately, some congressional leaders have discussed plans to fundamentally change the Medicare program and undermine the contract made

Alabama | Alaska | Arizona | Arkansas | California | Colorado | Connecticut | Delaware | Florida | Georgia | Hawaii | Idaho | Illinois | Indiana | Iowa | Kansas | Kentucky | Louisiana | Maine | Maryland | Massachusetts | Michigan | Minnesota | Mississippi | Missouri | Montana | Nebraska | Nevada | New Hampshire | New Jersey | New Mexico | New York | North Carolina | North Dakota | Ohio | Oklahoma | Oregon | Pennsylvania | Puerto Rico | Rhode Island | South Carolina | South Dakota | Tennessee | Texas | Utah | Vermont | Virgin Islands | Virginia | Washington | West Virginia | Wisconsin | Wyoming

with generations of Americans. Proposals creating a defined contribution premium support program; restricting access by raising the age of eligibility; or allowing doctors and other providers to arbitrarily charge consumers in Medicare with higher prices than the Medicare rates; all betray the promise made to older Americans who have paid into Medicare their entire working lives. Indeed, these proposals do little to lower the cost of health care. Rather, they simply shift costs from Medicare onto individuals – many of whom cannot afford to pay more for their care. Again, we are ready to work with you to oppose attempts to cut the Medicare program.

The average senior, with an annual income of under \$25,000 and already spending one out of every six dollars on health care, counts on Social Security for most of his/her income and on Medicare for access to affordable health coverage. We will continue to oppose changes to current law that cut benefits, increase costs, or reduce the ability of these critical programs to deliver on their benefit promises. We ask that you to continue to do so as well.

In particular, AARP members and older Americans generally oppose reducing Social Security benefits to reduce the deficit or pay for other programs, for example, by moving to a chained consumer price index (CCPI) for the Social Security cost of living adjustment (COLA). The current index that is used to calculate the cost of living increase already under-reports inflation as experienced by seniors – particularly health care cost increases. We strongly urge that the FY 2018 budget request exclude this change in policy.

Prescription Drugs

Older Americans use prescription drugs more than any other segment of the U.S. population, typically on a chronic basis. In 2015, retail prices for 268 brand name prescription drugs widely used by older Americans increased by an average of 15.5 percent. In contrast, the general inflation rate was 0.1 percent over the same period. For older adults, affordable prescription drugs are critical in managing their chronic conditions, curing diseases, keeping them healthy and improving their quality of life. As you have stated, older Americans and the American people deserve a better deal on prescription drug costs.

We look forward to working with you to lower drug prices. For example, AARP supports providing the Secretary of Health and Human Services with the authority to negotiate lower drug prices on behalf of millions of Medicare beneficiaries. In addition, we agree with you that we should reduce barriers to better pricing competition worldwide by allowing for the safe importation of lower priced drugs. Seniors should not have to continue paying the highest prescription drug prices in the world.

Access to Health Care pre-Medicare

Millions of older Americans age 50 and older have gained access to affordable health coverage through important changes in the health insurance market, including the ban

on pre-existing condition exclusions, the ban on lifetime and annual coverage limits, the restriction on charging working as well as retired older Americans many times more for insurance than younger persons (through important limits on age rating), and additional help for those who cannot afford insurance. We urge that you to protect these vulnerable older Americans (many of whom have lost their jobs, are self-employed or own their own businesses) from losing health coverage by maintaining these important insurance market reforms in any new health legislation.

Medicaid and Long-Term Services and Supports

Medicaid is critical for millions of people in every state, including over 17 million children with disabilities, adults with disabilities and poor elderly who rely on vital Medicaid health and long-term care services. We implore you to continue to protect these vulnerable populations.

Efforts to reduce, block grant, or cap Medicaid funding could endanger the health, safety, and care of millions of individuals who depend on the essential services provided through this program. Furthermore, caps would likely result in overwhelming cost-shifts to state governments unable to shoulder the costs of care without sufficient federal support. As your Administration considers changes to Medicaid, we ask that states be afforded enhanced flexibility to access funding for more cost-effective home and community-based services in the same way they can access nursing home funding.

Non-defense Discretionary Spending

AARP requests that the Administration not pay for additional defense spending by simply reducing all other federal discretionary spending. With very few exceptions, non-defense discretionary accounts which serve seniors are already funded at historically low levels. Further investments, not cuts, in certain programs like home-based supportive services, nutrition and caregiving accounts will reduce overall spending or defer costly institutionalization.

Chronic underfunding has been seriously compromising the ability of many agencies to fulfill their responsibilities. At the Social Security Administration (SSA), years of underfunding have resulted in a historically large backlog of hearings and claims and inexcusably lengthy wait times for appointments and calls. Short-changing SSA operations further compromises the ability of the agency to protect program integrity, and in turn, undermines the fiscal soundness of the Old Age and Disability trust funds.

Many Older Americans Act (OAA) Supportive Services, Congregate and Home-Delivered Meals (including Meals on Wheels), and Family Caregiver and Community Service Employment programs have literally been starved to the bone while the demand for these services is greater than ever before due to aging demographics. Funding for these programs is about the same as it was in FY 2004, but the age 60 and older population grew by approximately 30 percent. From 2004 to 2020, this population is projected to grow by more than 55 percent. Without continued investments in these

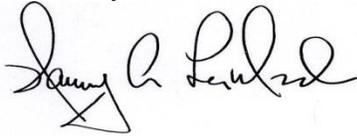
cost-effective OAA programs, taxpayers will end up paying far more to hospitalize or otherwise care for the frail elderly, many of whom are homebound.

Supplemental Nutrition Assistance Program

Similarly, cuts to the Supplemental Nutrition Assistance Program (SNAP) would severely compromise our nation's ability to combat hunger and food insecurity confronting millions of seniors and low-income working families. Boomers alone are expected to explode—by 2030, approximately one in five of the nation's population will be 65 and older, and rates of food insecurity among this population have more than doubled since 2001. About 90 percent of SNAP spending goes for food assistance; the rest goes to the states to determine program eligibility and operate SNAP properly. Therefore, significant SNAP cuts would require huge reductions in eligibility or deep cuts in benefits.

AARP would like to thank you for the opportunity to submit this request. We believe that the federal budget must reflect a common sense approach to our nation's current and future health and economic security needs and we look forward to working with the Administration to satisfy them. If you have any questions, please feel free to contact me or have your staff contact Joyce A. Rogers, Senior Vice President, Government Affairs at 202-434-3750.

Sincerely,

A handwritten signature in black ink, appearing to read "Nancy LeaMond". The signature is fluid and cursive, with a large initial "N" and "L".

Nancy LeaMond
Executive Vice President and
Chief Advocacy and Engagement Officer

cc: The Honorable John Michael "Mick" Mulvaney, Director, Office of Management and Budget