H.R. 1: ONE BIG BEAUTIFUL BILL HEALTH TALKING POINTS

On May 22, the House of Representatives passed the *One Big Beautiful Bill* (OBBB). LeadingAge urges a NO vote on OBBB in the Senate. The bill's overall negative impacts on the aging services ecosystem far outweigh its positives. The Congressional Budget Office (CBO) currently estimates[1] that 10.9 million people will lose their health care coverage, including nearly 8 million being cut from Medicaid. The bill cuts over $700 billion dollars out of Medicaid and hundreds of billions of dollars via Marketplace changes in order to pay for tax cuts that overwhelmingly benefit the wealthiest Americans.[2] These policies put intense pressure on state budgets – decreasing federal Medicaid dollars will force states to cut services, benefits, provider payment rates, or raise revenues via state tax increases or transferring other general funds to Medicaid. [3] The OBBB also proposes large cuts to the Supplemental Nutrition Assistance Program (SNAP), including a large transfer of responsibility for financing SNAP to states. These effects, in combination with the end of federal pandemic funding and other federal budget cuts, spell a fiscal environment that will result in cuts for aging services providers and those they serve.[4] While LeadingAge urges a no vote on OBBB, we also want to advocate for changes to the bill that will minimize the impacts on older adults and those they serve.

PROPOSED CHANGES TO MEDICAID PROVISIONS OF ONE BIG BEAUTIFUL BILL

- *Maintain 90 days of retroactive eligibility for older adults and those with disabilities:* The bill language should be changed to ensure that aging and disabled individuals have continued 90-day retroactive coverage.
    - The financial eligibility determinations for these groups are more complex and require gathering and submitting significant documentation compared to the traditional population. Applications require proof for multiple years of all accounts, deeds, trusts, or other related holdings. Working with applicants and their families to gather this necessary documentation can be extremely time-consuming. Times of crisis, which are usually the trigger for such Medicaid applications, strain attention to detail and incomplete records, which require additional time and communication.
    - The policy as drafted, with only one month of retroactive coverage, will result in shifting additional financial risk to providers and force more cautious admission decisions, loss of access to services and overall would create barriers to access care for Medicaid-eligible older adults and people with disabilities. Over time, it could lead to a contraction of the long-term care safety net, especially in rural and underserved communities that already struggle with access.

- *Provider tax and waiver of uniformity:* With regards to the proposed provider tax freeze, LeadingAge wants to ensure that the freeze is on the rate of the tax authorized by the state or local government, not the amount. With regards to the waiver of uniformity, we ask that states be given at least three fiscal years and that secretarial discretion be permitted to allow states more time but not less. Alternatively, the language around secretarial discretion could be removed completely; our goal is that states be given at least three years to transition their noncompliant taxes. Finally, LeadingAge opposes any reductions in the hold harmless threshold that would impinge even further on states' ability to respond to changes in fiscal circumstance or other needs.

- Exclude older adults and their family caregivers from community engagement (work requirements), cost-sharing, and more frequent eligiblity checks: While these policies only apply to the expansion population, that population includes individuals up to age 65. Benefits for HUD- and Rural Housing Service-assisted senior housing and eligiblity for Social Security begin at age 62 – we ask that the age threshold for these policies be dropped to 62. We also also ask that family caregivers for these older adults be exempt from these requirements.

[1] https://www.cbo.gov/publication/61461
[2] https://www.cbo.gov/publication/61422
[3] https://www.healthaffairs.org/content/forefront/big-republican-cost-shift-massive-cuts-medicaid-and-aca-increase-costs-older-adults-and and https://www.healthaffairs.org/content/forefront/history-repeats-faced-medicaid-cuts-states-reduced-support-older-adults-and-disabled
[4] https://www.healthaffairs.org/content/forefront/house-snap-cuts-would-further-endanger-medicaid-disabled-people-older-adults

- LeadingAge's calculations show, a minimum of 322,000 HUD-assisted households are between the ages of 62 and 65.[5] Many of these individuals are reliant on Medicaid for their health care coverage and the paperwork for the community engagement requirement (whether to show work or show an exemption) and increased eligibility checks would be highly burdensome and result in reduced access to healthcare.

- *Update home equity limit with inflationary factor to assure ongoing access to HCBS:* LeadingAge recommends allowing for an inflationary adjustment to home equity limits, which can protect an aging or disabled individual who purchased their home decades ago that has now appreciated, particularly in areas that have gentrified and become high-cost areas.
    - Older adults are reliant on fixed incomes but have accumulated equity in their homes, which is often their only asset. It is unfair that this asset might render them ineligible for services and supports they need and potentially force them (and their dependents) to leave their home and communities, then making them unable to receive community-based services because they no longer have a home.

- *Require states to use existing systems to support caregiver carveouts or compliance with community engagement requirements.* States use several IT systems and data sources to validate eligibility for various programs and comply with federal regulations promoting program integrity such as electronic visit verification. States should be required to review existing data sources, and where possible, validate caregiver work automatically. This change will reduce the burden on this critical workforce and our members in ensuring compliance with the community engagement requirements.

- *Eliminate cost sharing for community-based services.* States are required to cover some community-based services like personal care and private duty nursing through their state plans. This means individuals eligible for Medicaid through expansion have access to limited home and community-based services. Maintaining the cost-share for these services will cause individuals to forgo services designed to keep them from more intensive healthcare utilization or result in a de facto rate cut for providers as individuals can't afford their cost-share. Though the legislation says providers can refuse to provide services if the participant can't pay the cost share, our members understand the value of preventive services and the compassion associated with meeting participants' needs.

OTHER ISSUES

- *Maintain the moratorium on the implementation of the nursing home staffing rule:* LeadingAge supports the moratorium on the nursing home staffing rule and wants to ensure this policy moves forward.

- *Ensure waiver of pay as you go (PAYGO)*: In its current form, OBBB increases the deficit by 2.4 trillion dollars which would trigger statutory pay as you go (PAYGO) which would trigger sequestration including Medicare sequestration of 4% over the duration of the budget window.6 CBO anticipates that Medicare cuts between 2027-2034 would be $490 billion (and estimates a $45 billion sequestration for 2026). These cuts would be devastating for aging services providers and those they serve. If the final bill triggers PAYGO, the Congress must work to waive PAYGO as they have as a part or in response to other reconciliation efforts.

[5]Based on a 2021 report, published by HUD in February, 2021, relies on data from both the Picture of Subsidized Household (PSH) and the American Housing Survey (AHS). The data sources include information on the following HUD programs: public housing, housing choice vouchers, moderate rehabilitation, project-based Section 8, Rent Supplement/Rental Assistance Payment, Section 236 Preservation Program/Below Market Interest Rate, Section 202 Supportive Housing for the Elderly/Project Rental Assistance Contracts (PRAC), and Section 811 Supportive Housing for Persons with Disabilities/PRAC.