



Katie Smith Sloan, Chair

January 10, 2017

Mr. Donald J. Trump
President-Elect of the United States
1717 Pennsylvania Avenue N.W.
Washington, D.C. 20006

Dear President-Elect Trump:

The Leadership Council of Aging Organizations (LCAO) congratulates you on your election to the Presidency.

Since 1980, LCAO has been the country's preeminent coalition representing older Americans. Comprised of 72 national nonprofit organization members, LCAO focuses on the well-being of America's older population and is committed to representing their interests in the policy-making arena. LCAO serves as a source of information about issues affecting older persons and provides leadership and vision as America meets the challenges and opportunities presented by its aging society.

As your presidential transition team moves forward, we urge you to consider the issues and recommendations in the attached document reflecting the views of our members on health and long-term services and supports, community services, and retirement security.

While LCAO is made up of organizations that often have different perspectives on public policies, these recommendations represent the common ground among our organizations. We offer them as potential solutions to the challenges your administration will face in the coming years.

An unprecedented demographic shift is occurring as the baby boomer generation ages. Every day 10,000 people in the United States reach traditional retirement age. Compared with over 46 million seniors today, by 2030, 70 million people – 1 in 5 Americans – will be 65 or older.

Many older Americans face economic and health challenges. Currently, nearly 90 percent of seniors have at least one chronic condition, 4.2 million adults over the age of 65 live in poverty, and nearly one in six seniors struggle with hunger. Decades of stagnant wages and the erosion of employer-sponsored retirement benefits and savings are grinding away at the economic security of millions of seniors.

As noted above, we have attached a comprehensive statement on the programs and issues that affect older Americans and our recommendations for policies that address these issues, and we would be most interested in meeting with you and your staff to discuss this. However, since we know that one of the first issues that will be under consideration is the repeal of the Affordable Care Act, we will focus the remainder of this letter on the importance of the ACA to older Americans. Again, we would be most interested in meeting with you to discuss the impact of repeal on seniors.

A high priority concern we have is the negative impact that repealing the Affordable Care Act would have on older Americans. LCAO strongly opposes repeal of the Affordable Care Act (ACA). If provisions of the ACA are repealed, it is critical that a detailed replacement package be included in the same legislative vehicle. We are pleased and supportive of the position that you took in a November 13th *60 Minutes* interview. When you were asked about the period between repealing and replacing the ACA, you responded: “[W]e’re going to do it simultaneously... It’ll be better healthcare, much better, for less money.” If changes to the ACA affecting older Americans are considered, we respectfully request that you engage and work with LCAO and its member organizations to ensure that the needs of America’s seniors are met.

As discussions take place on repealing and replacing the ACA, please keep in mind that there are at least twelve critical provisions helping older Americans that have broad support and should remain intact. These include provisions to:

- close the Medicare prescription drug coverage gap or “doughnut hole;”
- provide Medicare coverage for critical preventive services, including an Annual Wellness Visit;
- reduce senior falls and manage chronic disease under the Prevention and Public Health Fund;
- improve access to home care services that save money and help keep families together, such as the Community First Choice program and other programs that expand access to Medicaid home and community-based services;
- extend the solvency of the Medicare Part A Trust Fund;
- enhance the quality and affordability of Medicare Advantage plans;
- provide incentives for states to expand Medicaid eligibility for low-income Americans, including older adults under age 65;
- make premiums more affordable for Americans age 55-64 who rely on Marketplace coverage;
- implement successful demonstration programs on Medicare-Medicaid integration under the Medicare-Medicaid Coordination Office (MMCO);
- test new financing, coverage and delivery system models under the Center for Medicare and Medicaid Innovation (CMMI);
- combat elder abuse and neglect; and
- improve nursing home quality standards.

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It is important to note that, according to the nonpartisan Urban Institute, more than 4.5 million Americans ages 55-64 could lose their health insurance coverage by 2019 under the anticipated ACA repeal bill. This is largely due to proposals to repeal both the ACA Medicaid expansion and current protections limiting premiums that insurers can charge older vs. younger enrollees to no more than a 3:1 ratio.

Overall, the Urban Institute analysis estimated that almost 30 million Americans stand to lose their current health insurance under the anticipated repeal proposal. These and other American families at risk of serious harm deserve to know the details of what replacement coverage they can count on.

In general, America's demographic and economic realities present both challenges and opportunities for public policy at the federal level. We want to partner with your administration to strengthen the financial and health security of older adults and avoid proposals that would increase costs or reduce benefits for current and future generations of older Americans.

We look forward to working and meeting with you and members of your Administration to address the challenges and opportunities presented by America's growing elder population.

Sincerely,

A handwritten signature in black ink that reads "Katie Smith Sloan". The signature is written in a cursive, flowing style.

Katie Smith Sloan
Chair

Attachment



Katie Smith Sloan, Chair

COMMENTS AND RECOMMENDATIONS TO TRANSITION TEAM ON ISSUES AFFECTING OLDER AMERICANS

INTRODUCTION

Since 1980, LCAO has been the country's preeminent coalition representing older Americans. Comprised of 72 national nonprofit organization members, LCAO focuses on the well-being of America's older population and is committed to representing their interests in the policy-making arena. LCAO serves as a source of information about issues affecting older persons and provides leadership and vision as America meets the challenges and opportunities presented by its aging society.

As the presidential transition moves forward, we urge you to consider the issues and recommendations in this document, which reflect the views of our members on health and long-term services and supports, community services, and retirement security.

HEALTH CARE

The Affordable Care Act

LCAO strongly opposes repeal of the Affordable Care Act (ACA). If provisions of the ACA are repealed, it is critical that a detailed replacement package be included in the same legislative vehicle. In a November 13th *60 Minutes* interview Leslie Stahl asked President-elect Trump about the period between repealing and replacing the ACA. He responded: "we're going to do it simultaneously... It'll be better healthcare, much better, for less money." We encourage the President-Elect to engage LCAO and its member organizations as you develop proposals to ensure that any replacement legislation meets the needs of America's seniors.

As discussions take place on repealing and replacing the ACA, please keep in mind that there are at least twelve critical provisions helping older Americans that have bipartisan support and should remain intact. These include provisions to:

- close the Medicare prescription drug coverage gap or "doughnut hole";
- provide Medicare coverage for critical preventive services, including an Annual Wellness Visit;
- reduce senior falls and manage chronic disease under the Prevention and Public Health Fund;
- improve access to home care services that save money and help keep families together, such as the Community First Choice program and other programs that expand access to Medicaid home and community-based services;
- extend the solvency of the Medicare Part A Trust Fund (for example, the nonpartisan Brookings Institution recently reported that repealing the Hospital Insurance payroll tax on wages above \$200,000 would move up Trust Fund insolvency by four years);
- enhance the quality and affordability of Medicare Advantage plans;
- provide incentives for states to expand Medicaid eligibility for low-income Americans, including older adults under age 65;

- make premiums more affordable for Americans age 55-64 who rely on Marketplace coverage;
- implement successful demonstration programs on Medicare-Medicaid integration under the Medicare-Medicaid Coordination Office (MMCO);
- test new financing, coverage and delivery system models under the Center for Medicare and Medicaid Innovation (CMMI);
- combat elder abuse and neglect; and
- improve nursing home quality standards.

According to the nonpartisan Urban Institute, more than 4.5 million Americans aged 55-64 could lose their health insurance coverage by 2019 under the anticipated ACA repeal bill. For low-income Americans in this age group, the ACA Medicaid expansion provides critical health insurance coverage in many states. Repeal of this provision could have potentially devastating consequences for this vulnerable population. Additionally, nearly 3.3 million Americans ages 55-64 currently rely on Marketplace coverage, representing the largest share (26%) of people reliant on individual Marketplace plans. Premiums are more affordable to these individuals because of the provision in the ACA that limits the amount of premiums insurers can charge older vs. younger enrollees to no more than a 3:1 ratio. We are deeply concerned that most of the replacement proposals allow insurers to charge older enrollees five times as much as younger enrollees. This would significantly increase premiums and jeopardize access to care for these older Americans, who generally have more urgent health needs than younger, typically healthier, adults. After reviewing seven ACA replacement proposals, Vox's Sarah Kliff concluded in a November 17 article, "If we can say one thing about most Republican plans, it is this: They are better for younger, healthy people and worse for older, sicker people."

Health insurers are likely to pull out of the market this year unless they know precisely what the rules for providing coverage will be. Hospitals are at risk of major losses in revenue if patients lose their insurance coverage. Physicians and other providers also face great uncertainties.

These are examples of the enormous uncertainty and disruption in care that could occur if key provisions of the ACA are repealed without including a detailed replacement package within the same legislation.

Medicaid

Medicaid remains a lifeline for vulnerable older adults, covering over one in seven (6 million) seniors in 2015. These are individuals who can either not afford or cannot get insured through the private market in any meaningful sense to match their needs.

This joint federal- and state-financed program supports individuals with disabilities of all ages by paying for their long-term services and supports (LTSS) and by providing important protections for beneficiaries with low-incomes and assets by covering their Medicare premiums, coinsurance, and deductibles. Given that many Americans are living longer and need help with daily activities, Medicaid's role as a critical program that provides this help is growing.

Medicaid also acts as a cornerstone of state economies. By covering services for individuals who could not otherwise meaningfully afford them, Medicaid provides income and jobs otherwise unavailable to hospitals, private physicians and other healthcare providers. Those providers in turn spend that money in their communities, supporting jobs and the local economy.

Long-Term Services and Supports

Today, Medicaid pays for approximately 65 percent of all publicly-funded LTSS. This includes services in nursing facilities, in various community settings, including assisted living residences and adult foster homes, and in the home.

As we age, our risk of developing a disability increases. Sadly, over 40 percent of individuals over 85 develop Alzheimer's disease, which nearly always results in the need for LTSS. With millions of Baby Boomers expected to live into advanced old age, the need for cost-effective, comprehensive LTSS is rising.

To make it possible for all Americans who wish to live at home and age in place, thoughtful improvements to the program are needed. Overwhelmingly, older Americans say they hope to receive care at home unless this is not possible, and studies show home care is less costly on a per capita basis than nursing home care for most people. To make community living a reality for many more Americans, we recommend that the Money Follows the Person demonstration project, first enacted by President Bush in 2005, be extended. To assist states with building better infrastructure for offering home and community-based services (HCBS), we further recommend that the successful, bipartisan Balancing Incentive Program be extended.

Currently, over half a million individuals with disabilities of all ages are on waiting lists for 1915(c) HCBS services. We can better assist families facing LTSS challenges by helping states to expand programs during America's "age wave" that feature value-based incentives and performance standards that reward quality.

Finally, we recommend that all congregate care settings be re-examined to be consonant with what Americans want and expect: person-centered, individualized services that are delivered in settings that resemble a home, that are designed to afford ample privacy and autonomy, that are not isolated from community life, and that have appropriate numbers of well-trained and competent staff.

Low-Income Medicare Protections Available Under Medicaid

Medicaid also plays a critical role in supporting low-income seniors through the Medicare shared savings programs, such as the Qualified Medicare Beneficiary (QMB) program, which covers premiums and cost sharing for those with incomes below 100% of poverty, and the Specified Low-Income Medicare Beneficiary (SLMB) program, which pays premiums for those with incomes between 100-120% of poverty. These programs are particularly important given the high proportion of out-of-pocket health care costs Medicare beneficiaries incur—a topic addressed in a subsequent section.

These programs benefit beneficiaries and providers alike by pooling state and Federal funds through Medicaid to cover care that would otherwise not be provided, bankrupt seniors, or require the provider to swallow the cost or pass it on to other beneficiaries.

Aging Organizations Oppose Block Grants and Per Capita Caps

On average, Medicaid spends over \$13,000 per year per elder enrollee, four times more than what it spends on eligible adults without disabilities. Block grants or per-capita caps would simply provide a fixed amount of money to the states while at the same time substantially limiting federal oversight and standards for the program. As such, it creates strong incentives for states to underserve high cost enrollees, such as older adults with Alzheimer's disease, who need substantial services under the program.

Block grants and other arbitrary limits on federal Medicaid spending fail to automatically adjust for economic recessions, demographic changes, medical breakthroughs, epidemics, or disasters, including terrorism. Such limits cannot account for the multitude of factors that affect Medicaid costs at different times in different parts of the country.

In addition, Medicaid already gives states significant flexibility in how they design their programs. Many states have already moved towards delivery system reforms such as managed long-term services and supports, accountable care organizations, and integration of Medicaid and Medicare for individuals dually eligible. Imposing block grants and other structural reforms would stifle innovation, not spur it.

Many of the HCBS services that Americans of all ages with disabilities rely on are optional services for states, which can decide whether to offer them, or to offer only to certain populations or those in certain areas. This means that states tend to cut back on HCBS services first, which can force more seniors into nursing homes where costs are higher and where many do not want to be. Moreover, research clearly shows that when basic assistance with the needs of daily life is not available, frail elders wind up in high-cost settings, notably hospitals, and overall costs increase.

LCAO urges the Trump Administration to preserve critical consumer protections embedded in Federal law, including

- federal nursing home standards and oversight that protect residents from abuse, neglect and poor care;
- minimal or no coinsurance for home and community services to a frail senior with income at the poverty line;
- protection against spousal impoverishment;
- prohibiting requiring family caregivers to pay for part of Medicaid nursing home services to supplement costs.

Given these substantial concerns, LCAO must strongly oppose reforms such as a block-grant or per-capita cap and other changes that could risk limiting access and services for older Americans. In addition, we urge the Trump administration to maintain adequate funding for the Medicaid program. Our understanding is that the most recent Medicaid proposal in the House budget would cut Medicaid by \$913 billion over ten years. A cut of this magnitude would be devastating to tens of millions of aging Americans and their families.

However, LCAO would be pleased to work with the Trump Administration to support legislation that ensures older Americans can get better care and increased access at lower long-term cost to the taxpayer.

Medicare

Medicare is a huge success story, with strong support from all Americans, regardless of party identification, age, or ideology. President-elect Trump was correct in his assessment that Medicare “is a program that works great” and cutting Medicare “is not fair to the people that have been paying in for years.” Medicare provides guaranteed health and economic security to millions who worked hard all their lives to contribute payroll taxes into the program and is critically important to Baby Boomers worried about being able to afford the care they will need.

Since the program’s inception, Congress, previous Presidents, and senior advocacy groups have worked together to ensure that Medicare is responsive to changing needs by enacting innovative improvements including the addition of a prescription drug benefit, preventive services, and alternative payment models and delivery system reforms that incentivize value over volume.

It is important to recognize and understand that the program has recently experienced historically low rates of spending growth. Spending per person increased by an average of only 1.4 percent per year from 2010-2015. Last year was the sixth consecutive year in which growth in Medicare spending per person was below the growth in gross domestic product (GDP) per person. In 2015, Medicare spending per

person was about \$1,200 lower than what the Congressional Budget Office had projected five years earlier.

Despite successful efforts to strengthen the program, most people with Medicare still struggle financially; one-quarter lived on incomes at or below \$14,350 a year in 2014 and half lived on incomes less than \$24,150. Beneficiaries also possess little savings; one-quarter had less than \$11,900 in savings in 2014 and half had less than \$63,350. People with Medicare also currently have high out-of-pocket health costs, averaging over \$5,000 a year. Beneficiaries with annual incomes between \$20,000 and \$30,000 spend an average of over \$6,200 out-of-pocket - up to almost one-third of their incomes. Medicare households also spend nearly three times more of their incomes on health care costs compared to non-Medicare households.

Given these stark realities, LCAO believes we must protect core Medicare benefits and ensure that no additional health care costs are shifted onto beneficiaries. To this end, LCAO supports preserving the fundamental guarantees and structure of the Medicare program.

In recent years, Medicare premium support has been a common feature of House Republican budget proposals. Premium support would replace Medicare's guaranteed benefit with a fixed, defined contribution to purchase private health insurance or traditional Medicare. A major concern is that the program's contributions would not keep pace with health care cost inflation, and that seniors on fixed incomes would be forced to bear the risk of unaffordable out-of-pocket cost increases. According to one nonpartisan analysis, an early proposed version of premium support would more than double the percentage that a typical 65 year-old would have to pay out of their Social Security check, from 22% to 50%. According to a 2013 report from the Congressional Budget Office, monthly premiums for traditional Medicare under premium support could rise by 30 percent in 2020 compared to current law. Not only could health care prove unaffordable for many older Americans, strong incentives would also be created to shift healthy individuals to private insurance, leaving the costliest beneficiaries in an unstable traditional Medicare risk pool. Given these consequences, LCAO opposes overhauling Medicare into a premium support program.

LCAO is also concerned about proposals to increase the program's eligibility age, eliminate reasonable limits on physician charges that keep care affordable, and restructure Medicare cost sharing. For example, rather than "modernizing" Medicare and reducing health costs, several redesign proposals would primarily force a majority of beneficiaries to pay more for the care they need. For example, under one typical cost-sharing proposal, an estimated 71% of people with Medicare would pay more for health coverage and only 5% would pay less.

Last year's 2016 Medicare Trustees Report found that the Medicare Part A Hospital Insurance Trust Fund – only about one-third of Medicare spending – is fully-funded for 12 years through 2028, which is 11 years longer than before the Affordable Care Act was enacted. After 2028, Part A faces a modest shortfall when it can pay 87% of its obligations. Projections of a Medicare Part A shortfall have varied widely over the past 50 years, with the Trustees in 1970 projecting a shortfall in two years and in 1997 projecting a shortfall in four years. However, the Trust Fund has never run out of money because Congress has always taken action to ensure that Part A continues to meet its obligations. There is strong consensus among experts that the best way to improve Medicare solvency is to enact policies that reduce unnecessary hospitalizations and rehospitalizations. Evidence indicates that community-based aging services play an important role in this effort and merit additional targeted investments. Examples include care coordination, falls prevention, adult day services, nutrition and chronic disease management.

We look forward to working with the Administration and all members of Congress on a bipartisan basis to modernize and strengthen Medicare for current beneficiaries, as well as the millions of Americans working and paying taxes into the program today who will be relying on the program for their health security in the future. Recommendations include:

- Improving protections for low-income beneficiaries, particularly regarding strict, unfair asset eligibility requirements that penalize seniors who did the right thing during their working years by putting away money for retirement;
- Reducing prescription drug prices;
- Improving services for beneficiaries with multiple chronic conditions;
- Providing a cap on out-of-pocket costs in traditional Medicare, similar to what is widely available in the employer-based private market;
- Updating the Medicare Part B enrollment system, such as through reforms included in the bipartisan Beneficiary Enrollment Notification and Eligibility Simplification (BENES) Act;
- Improving access to affordable Medicare supplemental insurance (Medigap) policies.
- Providing sufficient, sustainable funding for Medicare State Health Insurance Assistance Programs (SHIPs), which are struggling to meet the rising demand to help beneficiaries make wise choices and navigate an increasingly complex program;
- Eliminating the 3-day prior hospital stay for nursing home coverage in traditional Medicare as in Medicare Advantage;
- Providing help with oral health and vision costs in traditional Medicare, as in the Medicare Advantage program; and
- Empowering beneficiaries with better information and tools to make wise decisions about affordable coverage that best meets their needs, selecting among traditional Medicare, Parts C and D, and Medigap policies.

COMMUNITY SERVICES

The Older Americans Act

For more than 50 years, the Older Americans Act (OAA) has provided states and communities across the country critical funding for health and economic security services that are focused on Americans aged 60 and older, as well as their caregivers. Over two-thirds of Medicare beneficiaries have two or more chronic diseases and over a third have four or more. At least 95% of health care costs for older Americans can be attributed to chronic diseases. Yet less than 1% of health care dollars are spent on prevention to improve overall health.

That's why the OAA's preventive services and supports are so important; they make it possible for vulnerable seniors to continue to live in their own homes, and out of high-cost medical settings. The health-related services that make this possible include:

- Transportation
- Home-delivered meals and congregate meals served in group settings such as senior centers
- Personal care and homemaker support
- Caregiver assistance
- Employment supports
- Preventative health
- Long-term care ombudsman
- Alzheimer's Disease initiatives

Compared with over 46 million seniors today, by 2030, 70 million people – 1 in 5 Americans – will be 65 or older. Many older Americans today, and those in the future, will face economic and health challenges. They will need the help of the OAA and its cost-effective services.

Today nearly 90% of seniors have at least one chronic health condition; 4.2 million live in poverty, and more than 10 million face the threat of hunger. As our senior population grows, the number of older adults who fall into crisis will skyrocket if their most basic needs are left unaddressed. The OAA is the primary program that focuses on keeping seniors independent. However, funding has never kept pace with the growing senior population or need. Recently, a GAO report found that 83% of food insecure seniors and 83% of physically impaired seniors did not receive meals.

In another key area, the total cost of injuries to seniors from falls was \$34 billion in 2013. Absent expanded programs, this is projected to grow to \$67.6 billion by 2020. There is strong evidence that Falls Prevention and Chronic Disease Self-Management investments improve health outcomes and reduce medical costs and Medicare spending.

LCAO urges the Administration to adequately fund OAA programs at levels that address both the growing need for services and the increasing costs of providing those services.

Caregiver Supports

Family caregivers are the backbone of our care system. Today about 40 million family caregivers in the United States help older parents, spouses, aunts, uncles and other adult loved ones live independently at home — where they want to be. Additionally, about 3.7 million family caregivers provide care to a child under age 18 because of a medical, behavioral or other condition or disability. Caregivers help their loved ones while juggling work, raising children and more. Many of them are on call 24/7 and can't even take a break. The value of services provided by informal caregivers has steadily increased over the last decade, with an estimated economic value of \$470 billion in 2013.

LCAO urges the Administration to adequately fund and reauthorize existing programs supporting caregivers such as the Lifespan Respite Care Program, the National Family Caregiver Support Program and Native American Caregiver Support Services. In addition, there needs to be increased focus on expanding supports for caregivers including national planning coordination among federal agencies to address the needs of caregivers.

Elder Justice

As the population ages, elder abuse, neglect, and financial exploitation in the community and long term care settings is increasingly prevalent. Approximately 10 – 15% of older adults experience elder abuse, and victims of abuse, even modest abuse, have a 300% higher risk of premature death compared to those who had not been abused. The cost of financial abuse and fraud is estimated to be as high as \$36.48 billion each year, not including increased reliance on government programs such as Medicaid. Adult Protective Services (APS) is the primary responder to elder abuse, yet there is no dedicated federal funding stream for state and local APS services. Furthermore, it is essential that the Social Services Block Grant (SSBG), the primary source of funding for many state and local APS programs, be preserved. A national commitment is crucial to protecting vulnerable older Americans from abuse and exploitation.

LCAO calls on the Administration to make a commitment to protect vulnerable older Americans, as our country has done with the prevention of child abuse and domestic violence. This requires adequate funding of elder justice programs such as the Elder Justice Initiative within the Department of Justice and the Office of Elder Justice and Adult Protective Services and the Long-Term Care Ombudsman Programs

both within the Department of Health and Human Services, Administration for Community Living. There needs to be increased focus on elder abuse research and support for state and local services.

Senior Corps Programs: RSVP, Foster Grandparents, and Senior Companions

With 10,000 Baby Boomers retiring every day for the next 20 years, we need to take advantage of the talents and skills of older adult volunteers to address the health, welfare, education, and other needs that confront communities across the nation, especially helping seniors to age in place, meet the needs of at-risk children, and support frail elders. These programs provide a double benefit: they enable seniors to live independently (saving federal Medicare and Medicaid funds) and they provide nearly 100 million hours of essential service to address their neighbors' needs. This translates into more than \$2 billion worth of service to the nation, an immense return on investment of roughly \$10 for every dollar invested. LCAO urges the Administration to support these programs.

Community Supports

Also of critical importance is the full array of community supports that help older adults stay as independent as possible for as long as possible. Access to housing, transportation, social services and other community supports are critical to helping older adults participate in the workforce, to age-in-place, and to access necessary social and health services. Without adequate supports, older adults risk isolation or institutionalization.

LCAO urges the Administration to adequately fund and support community service programs such as specialized transportation programs (5310 program at the Federal Transit Administration), the Section 202 housing program and service coordinators programs at the Department of Housing and Urban Development, the Low-Income Home Energy Assistance Program (LIHEAP), and others. In addition, we recommend the administration work with organizations like those in LCAO to find innovative ways to improve and expand access to community services for older adults. Because access to community services and health are so closely intertwined, it is critical that officials overseeing Medicaid and Medicare have an understanding and respect for the role of social services in preserving health and independence for older adults.

Finally, given our nation's burgeoning population of older adults, a stronger and sustained federal commitment to our eldercare workforce is essential. LCAO urges the Administration to fund and support initiatives to increase and support members of the interdisciplinary geriatrics health care team. This includes supporting the Geriatrics Workforce Enhancement Program (GWEP), the only federal program specifically designed to enhance the skills and training of health care teams serving older adults, thereby improving care quality and safety and reducing costs. GWEP targets training to family caregivers, direct care workers, and health care professionals such as physicians, nurses, social workers, pharmacists, and psychologists.

RETIREMENT SECURITY

Social Security

Social Security, the foundation of retirement for Americans for over 81 years, is based on a contract between the American people and our government. Workers invest in Social Security over their entire work life to ensure benefits through disability, retirement and/or advanced illness. With fewer workers covered by defined benefit pensions and 401(k)s not guaranteeing a secure retirement, Americans increasingly rely on Social Security as their main source of income in retirement.

Of the more than 60 million Americans who rely on their monthly Social Security benefit, 50 million receive a retirement benefit, 6 million receive a survivor's benefit and 10.6 million disability benefits. In 2014, Social Security's modest benefits pulled some 21.4 million Americans out of poverty, including over 1 million children. Without Social Security, the poverty rate among retirees over 65 would rise from 10% to 41.5%. Social Security also pumps nearly \$900 billion dollars into state and local economies annually.

Across gender, race, age, and political affiliation, majorities of Americans oppose cutting Social Security. A recent Pew Research Center poll of self-described liberals and conservatives found that 69% of liberals and 59% of conservatives oppose cutting Social Security benefits. The poll also found intergenerational opposition with 69% of baby boomers, 67% of Generation Xers and 61% of Millennials opposing cuts to the program.

LCAO applauds your promise not to cut Social Security benefits and urges you to oppose any congressional efforts to do so, whether by privatizing the program in full or in part, raising the retirement age, means-testing, or implementing the chained Consumer Price Index (CPI). LCAO is encouraged to hear about your plans to grow the economy, as this will directly strengthen the program. According to the Urban Institute, growing the economy by 3.4% would reduce the impending Social Security shortfall by one-third. An important complement to a growing economy would be lifting or eliminating the payroll tax cap which would not only improve the solvency of the Social Security trust fund, but also could be used to improve Social Security's modest benefits.

One-time payment in-lieu of COLA and Adoption of CPI-E

Over the past few years, Social Security beneficiaries have received very little to no cost-of-living adjustment (COLA), while expenses, primarily due to healthcare costs, have continued to rise dramatically for seniors. In order to help allay increased expenses and in light of next year's small COLA, we urge you to support the passage of the SAVE Benefits Act, introduced by Senator Elizabeth Warren, which would provide seniors, veterans, people with disabilities railroad retirees and individuals receiving Supplemental Security Income (SSI) a one-time payment of \$581.

LCAO also urges you to support and encourage Congress to adopt the Consumer Price Index for the Elderly (CPI-E) for Social Security's annual COLA, because it is a more accurate measure of seniors' spending patterns and takes into account the disproportionate amount seniors spend on health care.

Social Security Administration

The Social Security Administration (SSA) manages one of our largest government resources, paying out nearly \$900 billion in benefits annually. SSA boasts a 99% accuracy rate with about only one penny of every dollar invested in the trust funds going toward administrative costs. LCAO urges you to appoint a Commissioner who is capable of maintaining and improving this high standard, and to elevate that post to a cabinet level position. LCAO also urges you to increase funding for the Social Security Administration's Limitation on Administrative Expenses (LAE) to \$13.5 billion for Fiscal Year 2018. This increase will help ensure that the public can be served adequately by SSA staff in person and on the phone and address the unprecedented backlog of disability insurance appeals at SSA Payment Centers.

Combine OASI and DI Trust Funds

LCAO urges you to support combining the OASI Trust Fund and the DI Trust Fund into a single fund. Although the funds are administratively separately, they are both funded through payroll contributions. The annual Trustees Reports provides projections as if the two trust funds were combined ("OASDI"), and these are the projections that are most cited and useful.

Supplemental Security Income

Supplemental Security Income (SSI), an important component of the Social Security program, was designed to reduce poverty and provides vital support to over 8 million older Americans and people with disabilities. Long-term low-wage workers, and individuals who spend many years in unpaid caregiving roles, depend on SSI to help pay for housing, food and out-of-pocket medical expenses, among other things. Over 2.7 million SSI recipients also receive Social Security OASDI benefits.

Unfortunately, today, one's income must be well below the federal poverty level to qualify for SSI. The current asset limit is just \$2,000 (\$3,000 for a couple) per calendar year and the income limit is just \$733 (\$1,100 for a couple) a month. Both of these limits were established in 1972 and have not been updated in over four decades. LCAO urges you to reject any proposals to cut the program or alter SSI's basic structure, and encourages you to support the SSI Restoration Act, introduced by Senator Sherrod Brown and Representative Raul Grijalva, which will provide much needed and long overdue updates for SSI eligibility.

Pensions

LCAO urges you to support measures to sustain existing defined benefit plans as a source of guaranteed retirement income; to take Pension Benefit Guaranty Corporation (PBGC) premiums off budget and protect the authority of Congress to set PBGC premium levels; prevent corporate transactions designed to dump pension liabilities and improve protections for workers' pensions during both corporate and municipal bankruptcies; prevent both further cuts in federal employee benefits and additional required employee contributions; and improve defined contribution plans so as to minimize risk to plan participants.

Windfall Elimination Provision (WEP) - Government Pension Offset (GPO)

We urge your administration to repeal the Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP). These provisions unfairly penalize public sector workers who have both covered and non-covered earnings under Social Security.

Caregiver Credit

LCAO is pleased that you recognize the importance of providing support for family caregivers and have proposed dependent care savings accounts and tax deductions for home care, long-term care services and adult day programs. We urge, however, that such accounts and deductions more effectively target middle class families and that a caregiver tax credit be extended to low-income Americans who must leave the workforce, or reduce their working hours, to care for a loved one.

Fiduciary Rule

LCAO supports the Fiduciary Rule implemented by the Obama Administration and urges you to keep the rule in place. Each year, working and middle class families lose \$17 billion in retirement assets due to bad financial advice. This rule will ensure that financial advisors take the interest of their clients into account rather than their own self-interest.