



AREA AGENCIES ON AGING ASSOCIATION OF MICHIGAN
ADVOCACY ALERT
August 16, 2011

USE A BALANCED APPROACH IN CUTTING FEDERAL DEFICIT

BACKGROUND:

Older Americans have a lot at stake as Congress launches its twelve member committee charged with developing a plan to reduce the federal deficit. Social Security, Medicare, Medicaid, the Older Americans Act and other federal programs are a social safety net for the growing population of older Americans. They are frequently identified as 'bankrupting' the federal budget and being unsustainable in the long-term. However, according to the Center on Budget and Policy Priorities (www.cbpp.org), tax cuts are the primary reason the federal budget is now out-of-balance.

Michigan is the only state with two members on the special committee – Congressman Dave Camp (R-Midland), who chairs the House Ways and Means Committee, and Congressman Fred Upton (R-St. Joseph) who chairs the House Energy & Commerce Committee. This means that advocates in our state can have a bigger impact on the recommendations coming out of the committee.

The committee is charged with developing a plan by November 23, 2011 to reduce the federal deficit by \$1.2 - \$1.5 trillion. Everything is on the table for the committee to consider: tax increases; closing tax loopholes; cuts in entitlement programs including Social Security, Medicare and Medicaid; and cuts in discretionary programs like the Older Americans Act. More than half of the committee must approve the plan for it to proceed to the U.S. House and Senate for votes. The plan must be voted up-or-down with no amendments. Congress has until December 23, 2011 to approve the plan.

If the committee can't agree on a plan, or the plan isn't approved by Congress, automatic cuts will take place in 2013. Half of the cuts would come from defense & homeland security programs and the other half from discretionary programs. The cuts would not affect Social Security, Medicaid or a few other low-income programs. They would not cut Medicare benefits either, but they would cut payments to Medicare providers by up to 2%. This could affect access to physicians and other providers for people on Medicare. If the committee passes a plan that falls below the minimum \$1.2 trillion, automatic cuts would be made to bring total savings to the \$1.2 trillion level.

WHAT YOU CAN DO:

Contact your U.S. Representative, along with Senators Stabenow and Levin, and urge that a **balanced approach** be used to reduce the federal deficit, meaning an approach that includes new revenues. Two bipartisan committees that have studied this issue both concluded that cuts alone cannot balance the federal budget without devastating programs that aid seniors, children, veterans or other vulnerable people - revenue increases must be part of the solution.

Congress' website at www.congress.org will help in identifying your U.S. Representative and allow you to send messages directly to him/her, as well as Senators Stabenow and Levin. Or use the list below for contact information - messages can be sent through the websites.

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U.S. REPRESENTATIVES FROM MICHIGAN (Washington D.C. area code is 202)

NAME	WEBSITE	PHONE
Justin Amash	www.amash.house.gov	225-3831
Dan Benishek	www.benishek.house.gov	225-4735
Dave Camp	www.camp.house.gov	225-3561
Hansen Clarke	www.hansenclarke.house.gov	225-2261
John Conyers	www.conyers.house.gov	225-5126
John Dingell	www.dingell.house.gov	225-4071
Bill Huizenga	www.huizenga.house.gov	225-4401
Dale Kildee	www.kildee.house.gov	225-3611
Sander Levin	www.house.gov/levin	225-4961
Thaddeus McCotter	www.mccotter.house.gov	225-8171
Candice Miller	www.candicemiller.house.gov	225-2106
Gary Peters	www.peters.house.gov	225-5802
Mike Rogers	www.mikerogers.house.gov	225-4872
Fred Upton	www.upton.house.gov	225-3761
Tim Walberg	www.walberg.house.gov	225-6276

U.S. SENATORS FROM MICHIGAN

Debbie Stabenow	www.stabenow.senate.gov	224-4822
Carl Levin	www.levin.senate.gov	224-6221

Here are some talking points you can use:

- The deficit should be addressed through shared sacrifice by those able to contribute. The budget should not be balanced on the backs of frail and low-income older Americans who are least able to afford cuts.
- The committee should follow the lead of the bipartisan Bowles-Simpson Debt Commission, which embraced the principle of protecting the truly disadvantaged, providing a robust, affordable, fair and sustainable safety net.¹
- Any changes to Social Security or Medicare should not hurt the disadvantaged. Even with these programs, over one-third (37%) of older Michigianians do not have enough income to cover the basics like housing, food and health care.²
- The Committee should reject proposals that undermine or weaken the current structure of Medicaid, which provides health care for low income individuals and families. Medicaid is the primary funding source for long term care including nursing homes and home and community-based services. Proposals to block grant Medicaid or freeze Medicaid spending should be rejected. There are other cost-saving approaches that should be pursued, however, such as reducing institutionalization by expanding home and community-based services. Baby Boomers are a demographic tidal wave, and will place significant financial demands on Medicaid if changes aren't made in the way we provide long term care.
- The Committee should reject proposals to cut the Older Americans Act. Investments in meals-on-wheels, home care, caregiver supports and other services will help our aging

population live independently in their own homes, stay out of nursing homes and off the Medicaid program.

¹ National Commission on Fiscal Responsibility and Reform. (December, 2010). *The Moment of Truth: Report of the National Commission on Fiscal Responsibility and Reform*. Retrieved August 15, 2011 from National Commission on Fiscal Responsibility and Reform web site: www.FiscalCommission.gov.

² Jankowski, T.B. et. al. (July 20, 2011). *Invisible Poverty: New Measure Unveils Financial Hardship in Michigan's Older Adult Population (Working Paper Series, No. 3)*. Retrieved August 15, 2011 from Seniors Count web site: <http://www.seniorscount.org>.