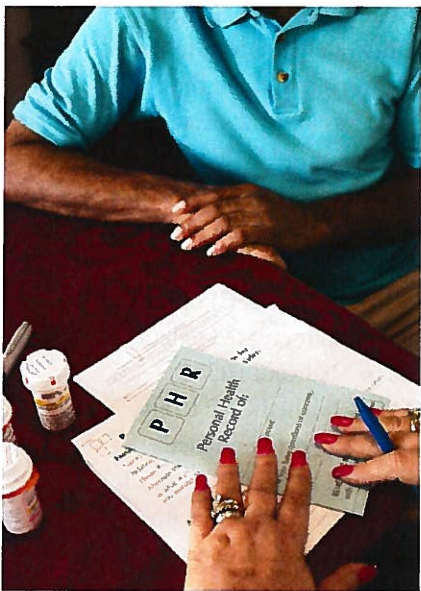




advocacy | action | answers on aging

NATIONAL ASSOCIATION OF AREA AGENCIES ON AGING POLICY BRIEF

What Would ACA Repeal Mean for Older Adults, Caregivers and the Aging Network?



The Patient Protection and Affordable Care Act (ACA), signed into law nearly seven years ago, ushered in significant changes for health care in the U.S. Policies enacted through ACA have had implications at all levels of health care in America—from individual beneficiaries and physicians to multi-billion dollar insurance companies and the country’s largest health care funders, Medicare and Medicaid. In addition to providing health care to an estimated 20-22 million Americans who have gained insurance coverage through Medicaid expansion or ACA’s insurance exchange Marketplace,¹ the Act has also fostered significant health care system changes aimed at curbing cost growth and incenting higher-quality care.

SINCE ITS INCEPTION, the ACA has also been a politically polarizing law and the target of multiple initiatives to reverse or curb its wide-reaching policies. Passed and signed into law by a Democratic majority in Congress and a Democratic Administration, Republicans have long had the ACA in their policy crosshairs. A few of the ACA-driven policies that have provoked political controversy include, but are not limited to: enhanced federal funding for state Medicaid expansion; increased provider taxes; a rocky beginning for the federal insurance exchange marketplace coupled with rising insurance premiums after the first few years; and new federal expenditures focused on fostering innovative health care delivery strategies and health promotion and disease prevention programs.

With the new Trump Administration in place and with majorities in both the House and the Senate, Republicans are now in a position to either make significant changes to, or completely eliminate, the Affordable Care Act. With control

of both Congress and the Administration, the barriers present in the more than 60 previous legislative attempts to repeal the ACA are gone. Congress and the Trump Administration are in a position to determine not only the process of ACA repeal and replacement, but also to craft the substantive policy details of any repeal and replacement proposal.

As the new Congress and incoming Administration chart the course forward to change the ACA, the National Association of Area Agencies on Aging (n4a) has compiled key considerations about what ACA repeal could mean for older adults and caregivers served by Area Agencies on Aging, Title VI Native American aging programs, and other community-based organizations (CBOs) in the Aging Network. We have also assembled important issues for policy makers to carefully consider as they develop replacement proposals. While we attempt to focus on those policies that directly affect the Aging Network and the people it serves, we have also included links

to additional resources that detail the much broader effects of ACA repeal (see page 5).

ACA Provisions Affecting Older Adults and the Aging Network

The components of ACA slated for reconsideration in repeal and replacement debates include, but are not limited to: dismantling the federal insurance exchange Marketplace; repealing Medicaid expansion in states; rolling back or eliminating efforts to spur delivery systems innovation and reform through the Center for Medicare and Medicaid Innovation (CMMI); dropping longstanding efforts to rebalance long-term services and supports (LTSS) from institutions to more cost-effective home and community-based services (HCBS); and defunding disease prevention and health promotion programs through the Prevention and Public Health Fund (PPHF).

Rolling back these components of ACA could have significant consequences for millions of older adults—even if they are not directly participating in the Marketplace or affected by Medicaid expansion. Subsequently, ACA repeal would affect AAAs and other CBOs that serve older adults and caregivers in their homes and communities by meeting an aging population with reduced access to health care, a stalling of Medicaid rebalancing efforts and the potential slow-down in integration of health and community-based care across the country.

ACA Policies that Directly Affect AAAs and CBOs: Spurring Health Care Delivery Reform and Focusing on Community-Based Care

Repeal proposals would also likely include major changes to, or the elimination of, the **Center for Medicare & Medicaid Innovation** (CMMI). This innovation center within CMS enables Medicare and Medicaid programs to test models aimed at improving care, lowering costs and better aligning payment systems. In the effort to develop patient-centered models of care, CMMI has been instrumental in beginning to bridge the gaps between the health care industry and community-based providers of health-related services, including AAAs.

CMMI-led initiatives that have directly involved the Aging Network include the Community-Based Care Transitions Program (CCTP; also created in ACA) and the newly expanded Diabetes Prevention Programs. More than 60 percent of all AAAs are involved in an integrated care delivery system of some kind,² and repealing the major federal catalyst for current and future delivery system reforms could have significant implications for both future health care costs and outcomes—especially for vulnerable older adult populations.

Previous proposals to repeal the ACA included attempts to eliminate CMMI programs aimed at improving health care delivery and coordination and better integrating health and social services. For example, ACA repeal would stymie efforts to improve care coordination for older adults and people with disabilities who qualify for both Medicare and Medicaid (duals demonstrations). Currently one in 10 AAAs³ are participating in their **State Dual Demonstrations**, and very low-income and medically vulnerable older adults and people with disabilities could face higher costs and reduced services if these efforts were eliminated.

ACA repeal also has major implications for the long-term services and supports arena, as well, including **Medicaid Home and Community-Based Services** (HCBS) delivered to older adults and people with disabilities. Nearly two-thirds of AAAs play a role in their state's Medicaid HCBS delivery system,⁴ supporting the ability of older adults to live independently by coordinating or delivering the care they need to remain in the community. n4a has long advocated for expansion of both Medicaid and non-Medicaid HCBS, as well as a rebalancing of federal funding from institutional care (e.g., nursing homes) to HCBS to save money and provide more person-centered care.

For example, the **Community First Choice** (CFC) options program, also created in ACA, provides an increased federal match for states that expand options to Medicaid HCBS within their LTSS systems. The ACA established CFC to give states a flexible option and financial incentive to enhance existing HCBS LTSS programs; to reinvest the enhanced match back into augmenting HCBS options for beneficiaries with an institutional level of care; and to give beneficiaries more control over their own care.

Expired ACA Rebalancing Provisions Needed to Save Medicaid Costs

There are several other rebalancing programs that were created or expanded under the ACA. These include the **Balancing Incentive Payment** (BIP) and **Money Follows the Person** (MFP) programs under Medicaid, and a \$50 million, five-year investment in expanding **Aging and Disability Resource Centers** in selected states across the country. While these programs have already expired, and ACA repeal would not have an immediate impact on these efforts, they are important additional rebalancing initiatives in ACA that policymakers (and advocates) should pursue in alternative legislative packages or an ACA replacement proposal.

Eliminating any federal support for Medicaid HCBS waiver programs, such as a repeal of CFC, that help states increase access to HCBS over institutionalization not only jeopardizes state and local budgets in the short and long-term, but also puts vulnerable older adults at risk.

Republican proposals to eliminate ACA have also included elimination of the **Prevention and Public Health Fund**, which includes funding for falls prevention programs and chronic disease self-management programs. According to n4a's 2016 AAA survey, 93 percent of AAAs are engaged in evidence-based health promotion programs, including falls prevention efforts. Falls are the leading cause of fatal and non-fatal injuries in older adults, and have enormous personal and health care costs estimated to total at least \$34 billion every year. Falls prevention programs funded through the PPHF and frequently delivered through the Aging Network locally have demonstrated a significant return on investment in preventing unnecessary medical costs and even death.

Additionally, the PPHF supports community-based, evidence-based programs to enable participants to effectively and cost-efficiently manage their own chronic diseases. AAAs are key partners in these efforts across the country. Over two-thirds of Medicare beneficiaries have multiple chronic conditions, such as diabetes, and Medicare beneficiaries with six or more chronic conditions account for nearly half of all Medicare costs. Without intervention at the community level to reach beneficiaries where they live, individual and economic costs of chronic diseases will only grow as the population of older adults increases.

Note: The bipartisan Elder Justice Act was passed as part of ACA in 2010 to provide federal resources to prevent, detect, treat, understand, intervene in and, where appropriate, prosecute elder abuse, neglect and exploitation. Before the EJA was enacted, federal funding for programs and justice regulations was not available. EJA, which expired in 2014, must be reauthorized by Congress swiftly to ensure that federal leaders can appropriately respond to the growing problem of elder abuse.

ACA Policies Affecting Older Adults: ACA Repeal Will Jeopardize Coverage for Millions of Older Adults Now and in the Future

Most proposals to repeal ACA include ending the enhanced federal match for state Medicaid programs to offer insurance coverage to previously ineligible adults. Medicaid is a federal-state partnership that currently provides critical health care services to nearly 20 percent—or 70 million—vulnerable Americans. Prior to the ACA, Medicaid was available only to

the very poor and left most low-income adults without access to health care because of strict income requirements. Through an effort to expand the Medicaid program via the ACA, 32 states and DC now offer Medicaid coverage to an estimated 11 million adults previously ineligible for coverage.⁵ This population includes 1.2 million adults who are between the ages of 54 and 65—often the most costly and economically and medically vulnerable Medicaid beneficiaries with the poorest health outcomes.⁶

Furthermore, ACA repeal proposals also include policies to undermine and eventually eliminate the federal insurance exchange Marketplace.⁷ Proposals to eliminate the individual mandate for health insurance coverage, which many analysts predict could implode marketplace viability, means that 3.3 million pre-Medicare adults age 54–65 could be at risk of losing their health insurance.⁸

For many in their final years before obtaining Medicare coverage, the health insurance coverage that was available before the ACA was cost prohibitive. If health insurance coverage now available through the Marketplace is eliminated through ACA repeal efforts, these individuals may forgo essential preventative health services, and are at a higher risk of accessing uncompensated care through emergency departments. This will put a financial burden on both health care providers and states faced with reimbursing this care.⁹

Additionally, when these individuals become eligible for Medicare at age 65, they may need to access services earlier and to a larger degree than those who had reliable access to health care under the ACA in those critical years before traditional retirement age. Without access to expanded Medicaid services or affordable insurance coverage through the marketplace, individuals age 54 to 65 are at risk of being sicker and ultimately more costly patients once they reach Medicare eligibility. For this reason, without preventative care, this age group may also have a greater risk of needing institutional or HCBS LTSS earlier in life due to poor health, again straining both federal and state Medicaid and Older Americans Act budgets.

Furthermore, rolling back the enhanced federal matching rate to states that have chosen to expand Medicaid coverage could have significant economic implications nationally. According to one recent estimate from the Commonwealth Fund, doing so would cost states nearly \$50 billion over five years.¹⁰ This loss of state revenue and consumer coverage has broad economic and workforce implications.

Economic Consequences of ACA Repeal for Older Adults and Caregivers

The ACA includes critical **health and economic protections** for millions of older adults and caregivers, and the law made major progress on extending Medicare solvency. It is important that policymakers consider these economic implications. Repealing the ACA would eliminate efforts to close the Medicare prescription drug coverage gap for up to nine million Medicare beneficiaries, exacerbating already difficult economic decisions for many vulnerable seniors.

The ACA also includes **spousal impoverishment protections** under Medicaid that provide critical fiscal safeguards to families so that spousal caregivers do not have to exhaust their personal assets in order to secure Medicaid LTSS for their partner.

Nationally, the ACA also implemented policy changes to extend the **solvency of the Medicare Part A Hospital Insurance Trust Fund** by 11 years.¹¹ Reversing these changes could set Medicare and the fiscal future of the federal budget on a more precarious path.

Questions for Aging Network Advocates and Policymakers Creating ACA Replacement Proposals

It is essential that any proposals to replace the Affordable Care Act consider how proposals will build upon and improve policies that affect older adults, caregivers and service providers. As the Aging Network analyzes replacement proposals, we encourage policymakers to evaluate how policies answer the following questions:

1. What does the proposal do to ensure that the pre-Medicare population (age 54–64) can access affordable and adequate health care insurance to protect their health now and save Medicare and Medicaid LTSS expenditures later?
2. How will rebalancing of long-term care expenditures (from institutional to home and community-based services) continue and grow under an ACA replacement?
3. What will the proposal do to recognize the realities of older adults and people with disabilities who depend on Medicaid HCBS to live safely at home and in the community?
4. Will the proposal continue to seed innovation in health care delivery systems to better coordinate and deliver care?
5. Does the proposal address the need to build a bridge between health care and community services to achieve person-centered systems of care?
6. How will the proposal support family caregivers?
7. Is there restored funding to Aging and Disability Resource Centers (ADRCs) to ensure consumers can find needed state, local and private resources for long-term services and supports?
8. What are the implications for the long-term solvency of Medicare?
9. How will ACA replacement support prevention and public health across systems, specifically:
 - a. Will the Medicare wellness benefit continue uninterrupted?
 - b. Will the evidence-based falls prevention and chronic disease self-management programs funded by the ACA's Prevention and Public Health Fund be supported to continue reducing unnecessary health care costs in Medicare and Medicaid?

n4a will work with our members, allies and policymakers to ensure that any major changes to our nation's health care and LTSS systems take into consideration the impact on older adults, people with disabilities and caregivers.

Endnotes

1. In 2016 estimates of coverage increases under ACA were between 20 million and 22 million since 2013: Marken, S. (2016) *U.S. Uninsured rate remains at historical low of 11.0%*. Available at: <http://www.gallup.com/poll/193556/uninsured-rate-remains-historical-low.aspx> (Accessed: 13 January 2017). See also U.S. Health and Human Services Department, <https://www.hhs.gov/About/News/2016/03/03/20-Million-People-Have-Gained-Health-Insurance-Coverage-Because-Affordable-Care-Act-New-Estimates>. 2017. Web. 13 Jan. 2017.
2. National Association of Area Agencies on Aging, *National Area Agency on Aging Survey Report*, 2016. Publication pending in April 2017.
3. Ibid.
4. National Association of Area Agencies on Aging, *Trends and New Directions: Area Agencies on Aging Survey*, 2014.
5. Henry J. Kaiser Family Foundation, *Medicaid Pocket Primer*, January 2017.
6. L. Blumberg, M. Buettgens, J. Holahan, *Implications of Partial Repeal of The ACA Through Reconciliation*, Urban Institute, December 2016.
7. To provide for reconciliation pursuant to section 2002 of the concurrent resolution on the budget for fiscal year 2016. H.R. 3762, 114th Congress. (2016).
8. Goldberg, Jennifer, "Repealing The Affordable Care Act Without A Replacement Hurts Seniors," *Justice in Aging*, December 21 2016.
9. Blumberg, Buettgens and Holahan, *Implications of Partial Repeal*.
10. L. Ku, E. Steinmetz, E. Brantley et al., *Repealing Federal Health Reform: Economic and Employment Consequences for States*, The Commonwealth Fund, January 2017.
11. B. Walsh, "Why Medicare Matters," *AARP Bulletin*, January-February 2017.

For Additional Reading

n4a staff recommend the following additional resources for those interested in deepening their understanding of the implications of ACA repeal.

Economic Implications of Repeal

Congressional Budget Office

<https://www.cbo.gov/sites/default/files/115th-congress-2017-2018/reports/52371-coverageandpremiums.pdf>

Committee for a Responsible Federal Budget

<http://crfb.org/papers/cost-full-repeal-affordable-care-act>

The Urban Institute

http://www.urban.org/sites/default/files/publication/86236/2001013-the-implications-of-partial-repeal-of-the-aca-through-reconciliation_0.pdf

Medicaid

The Commonwealth Fund

http://www.commonwealthfund.org/~media/files/publications/issue-brief/2017/jan/1928_rosenbaum_medicoids_future_aca_repeal_ib_v2.pdf

Medicare

Kaiser Family Foundation

<http://kff.org/health-reform/issue-brief/what-are-the-implications-of-repealing-the-affordable-care-act-for-medicare-spending-and-beneficiaries/>

Multiple Topics

Center for Budget and Policy Priorities

<http://www.cbpp.org/topics/health/>

About n4a

The National Association of Area Agencies on Aging (n4a) is the membership organization for the 622 Area Agencies on Aging (AAAs) and a voice in the nation's capital for the more than 250 Title VI Native American aging programs in the U.S. The fundamental mission of the AAAs and Title VI aging programs is to provide services that make it possible for older individuals to remain in their homes, thereby preserving their independence and dignity. These agencies coordinate and support a wide range of home and community-based services, including information and referral, meals, in-home care, transportation, employment services, senior centers, adult day care and more.



advocacy | action | answers on aging

Writing and Editing

Sandy Markwood, CEO

Amy E. Gotwals, Chief, Public Policy and External Affairs

Autumn Campbell, Director, Public Policy and Advocacy

National Association of Area Agencies on Aging (n4a)

1730 Rhode Island Avenue, NW, Suite 1200

Washington, DC 20036

202.872.0888

www.n4a.org

www.facebook.com/n4aACTION

www.twitter.com/n4aACTION

