

December 18, 2017

California Congressional Delegation
Washington, D.C. 20515

Dear Members of the California Congressional Delegation:

The undersigned 116 California organizations are writing to express our strong opposition to the Tax Cuts and Jobs Act and our deep concerns about its effects on the health care of California's older adults, people with disabilities, and their families. Our organizations share a commitment to promoting access to affordable, high-quality health care and long-term services and supports for older adults, people with disabilities, and their families, and this tax package will endanger that goal.

The tax bill Congress is considering would increase the national debt by at least \$1 trillion, even after accounting for potential economic growth. The bill would also drive up the yearly deficit through tax cuts that primarily benefit the wealthiest Americans and large corporations. This is likely to lead to drastic cuts to Medicaid, Medicare, Social Security and other programs on which older adults rely.

In California, over 1.3 million older adults and people with disabilities currently rely on Medi-Cal coverage for their health and long-term care.¹ Cuts to Medi-Cal would jeopardize coverage for these individuals and the four million Californians who are turning 65 over the next decade.² In addition, significant Medicare cuts would shift costs on to beneficiaries, endangering the nearly 6 million older adults and people with disabilities who currently rely on the program in California for high-quality care.³

We are also particularly concerned about the repeal of the Affordable Care Act individual mandate. Approximately 400,000 adults age 55 and over are enrolled in marketplace plans through Covered California.⁴ By eliminating the individual mandate, the tax bill puts the availability of affordable health coverage for these individuals, who are not yet eligible for Medicare, at risk through higher premiums or even lack of insurers. The Congressional Budget Office (CBO) estimates that nationally 13 million more people will be without health coverage if the mandate is repealed, including 5 million people who would not enroll in Medicaid even

¹ Kaiser Family Foundation, "Number of Dual Eligible Beneficiaries, FY 2011," <https://goo.gl/yknbNr>

² Public Policy Institute of California, "Planning for California's Growing Senior Population," (August 2015), <http://www.ppic.org/publication/planning-for-californias-growing-senior-population/>

³ Kaiser Family Foundation, "Total Number of Medicare Beneficiaries," <https://goo.gl/YWM37t>

⁴ Covered California, "Member Profile," (September 2017), http://hbex.coveredca.com/data-research/library/active-member-profiles/12-13-17/CC_Membership_Profile_2017_09.xlsx

though they are eligible.⁵ It is estimated that 1.8 million Californians could lose coverage.⁶ With fewer younger and healthy individuals in the marketplace, older adults would see their premiums increase on average by 10%⁷. For example, an average 60-year-old would see their premiums rise to \$14,860 a year, a \$1,350 increase.⁸

The proposed reduction of the State and Local Tax (SALT) deduction to \$10,000 will be particularly harmful to Californians, over one third of whom claim this deduction annually.⁹ Over time it will become more difficult for California to raise revenue through state and local taxes, leading to less investment in critical services and programs older adults rely on including Medi-Cal, affordable housing, and public transportation.

In addition to these effects, both intentional and not, the sheer size of the deficit would trigger immediate cuts under sequestration to Medicare and other programs that benefit older adults and people with disabilities. The CBO projects Medicare cuts of \$25 billion in 2018 alone.¹⁰ Of course, such cuts would have harmful effects on all those who rely upon Medicare.

In addition to our concerns about the substance of the bill detailed above, we are also dismayed by the rushed and partisan process. It is especially concerning that further changes have been made behind closed doors and members of Congress will be asked to vote without having seen a full JCT analysis of the final bill that is in the conference report. Without a full analysis, we cannot know all the effects this far-reaching bill will have on Californians.

Historically, Congress has worked through a bipartisan, transparent process that included public hearings, open comment periods on discussion drafts, multi-stakeholder meetings, and more. Any changes to the tax code should be thoughtful and deliberative.

⁵ Congressional Budget Office, "Repealing the Individual Health Insurance Mandate: An Updated Estimate" (November 8, 2017), <https://www.cbo.gov/publication/53300>.

⁶ Center for American Progress, "Estimates of the Increase in Uninsured by Congressional District Under the Senate GOP Tax Bill," (December 5, 2017), <https://www.americanprogress.org/issues/healthcare/news/2017/12/05/443767/estimates-increase-uninsured-congressional-district-senate-gop-tax-bill/>

⁷ Congressional Budget Office, "Repealing the Individual Health Insurance Mandate: An Updated Estimate" (November 8, 2017), <https://www.cbo.gov/publication/53300>.

⁸ AARP, "Health Provision in New Tax Bill: Higher Premiums and Loss of Health Coverage for Older Adults," (November 21, 2017), <http://blog.aarp.org/2017/11/21/health-provision-in-new-tax-bill-higher-premiums-and-loss-of-health-coverage-for-older-adults/>

⁹ Tax Policy Center, "Congressional Districts Ranked by Percentage of Returns With State and Local Tax Deduction and by the Deduction as a Percentage of AGI, 2014," (September 13, 2017), <http://www.taxpolicycenter.org/statistics/congressional-districts-ranked-percentage-returns-state-and-local-tax-deduction-and>

¹⁰ Congressional Budget Office, "Effects of legislation that would raise deficits by an estimated \$1.5 trillion over the 2018-2027 period" (November 14, 2017), <https://www.cbo.gov/publication/53319>

Our organizations strongly urge Congress to start over on tax reform and ensure that any changes will not drive up deficits or reduce access to health care for older adults, people with disabilities, and their families.

Sincerely,

2-1-1 Humboldt
ACLU of California
Aging Services Collaborative of Santa Clara County
Alameda County Community Food Bank
Alzheimer's Greater Los Angeles
American Academy of Pediatrics – California
Antelope Valley Seniors Network
Asian Americans Advancing Justice - California
Asian Law Alliance
Association of Regional Center Agencies
CA Association of Public Authorities
California Advocates for Nursing Home Reform
California Alliance for Retired Americans
California Association of Area Agencies on Aging
California Association of Food Banks
California Commission on Aging
California Food Policy Advocates
California Foundation for Independent Living Centers
California Health Advocates
California Health Professional Student Alliance
California IHSS Consumer Alliance
California LTC Ombudsman Association (CLTCOA)
California Office of the State Long-Term Care Ombudsman
California OneCare
California Pan-Ethnic Health Network
California Physicians Alliance
California Supported Living Network
California Voices for Progress
California Women's Agenda
Californians for Disability Rights Inc.
Center for Health Care Rights
Choice in Aging
Clinica Sierra Vista
COA Riverside County LTC Ombudsman
Coalition for Compassionate Care of California
Coalition for Humane Immigrant Rights (CHIRLA)
Community SeniorServ

Congress of California Seniors
Council on Aging - Southern California
Courage Campaign
Disability Rights California
Disability Rights Education and Defense Fund
Disability Rights Legal Center
El Dorado County Long-Term Care Ombudsman Program
Equality California
Family Caregiver Alliance
Fathers & Families of San Joaquin
Food for People, the Food Bank for Humboldt County
Hand in Hand: The Domestic Employers Network
Health Access
Health Projects Center
Hepatitis C Support Project, A Project of the Tides Center
Homeless Action Center
Hunger Action LA
Inland Empire Coverage and Health Initiative (IE-CHI)
Inner City Law Center
Jewish Family Service Los Angeles
Joslyn Center Meals on Wheels
Justice in Aging
Kern County Long Term Care Ombudsman Program
Kern County LTSS Coalition
Law Foundation of Silicon Valley
LeadingAge California
Legal Aid Society of San Mateo County
Legal Assistance for Seniors
Life Skills Training and Educational Programs, Inc.
LifeLong Medical Care
LifeSTEPS - Life Skills Training and Educational Programs, Inc.
Long Term Care Ombudsman Program of Santa Barbara County
Los Angeles Center for Law & Justice
LTC Ombudsman Services of San Luis Obispo County
Maternal and Child Health Access
Meals on Wheels California
Meals on Wheels San Diego County
Meals on Wheels San Francisco
Meals on Wheels West
Mental Health Advocacy Services, Inc.
Mercy Brown Bag Program
Mi Familia Vota
Millenium Ventures LLC

Mizell Senior Center, Palm Springs
Multipurpose Senior Services Program Site Association
National Health Law Program
Nevada-Sierra Connecting Point Public Authority
NextGen America
NICOS Chinese Health Coalition
Ombudsman Services of San Mateo County, Inc.
Parent Voices CA
Partners in Care Foundation
Peace Builders of California
Personal Assistance Services Council
Project Inform
PSA 2 AAA LTC Ombudsman Program
San Diego Volunteer Lawyer Program, Inc.
San Francisco AIDS Foundation
San Francisco Department of Aging and Adult Services
Sausalito Village
SEIU Local 12021
Senior Advocates of the Desert
Senior Services Coalition of Alameda County
San Francisco IHSS Public Authority
Serving Seniors
Shelter Partnership
SoCal Health Care Coalition
Social Security Works
Southeast Asia Resource Action Center
St. Anthony Foundation
St. Barnabas Senior Services
The Alliance On Aging
The Arc California
The Redwood Empire Food Bank
The San Diego IHSS Coalition
Tri-Valley Progressives
UDW/AFSCME Local 3930
United Domestic Worker of America
Western Center on Law & Poverty
Yolo Healthy Aging Alliance