



Mass Home Care

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Hon. John F. Kerry
U.S. Senate
218 Russell Bldg., 2nd Floor
Washington D.C. 20510

Dear Senator Kerry,

We were pleased to learn of your appointment to the Joint Select Committee on Deficit Reduction.

Mass Home Care represents all the Area Agencies on Aging and Aging Services Access Points in the Commonwealth, a total of 30 non-profit agencies.

As you consider the range of options to reduce the federal deficit, we hope you will be guided by the principles that were articulated in a July 29th letter to the President and key Congressional leaders from the Legislative Council of Aging Organizations: *“We believe the nation can and should reduce the deficit over time through a balanced approach that includes budget savings from increases in revenue and thoughtful, targeted reductions in spending when and where necessary...”*

Among the principles we support for a budget agreement are:

- 1. Establish BALANCE:** Any budget agreement must adopt a balanced approach, including revenue raisers, as well as savings from mandatory and discretionary spending.
- 2. Protect the most VULNERABLE:** protect Americans in greatest need, both socially and economically, protecting low-income people, taking no actions that increase economic vulnerability or poverty. Programs like the Older Americans Act, which are targeted to low income populations, should be protected as a priority mission of the federal government through the “general welfare” clause in the Constitution. Every \$1 provided to the aging services network is leveraged by nearly \$3 in non-federal support.
- 3. Remove Social Security As An Issue:** Social Security has not contributed to the federal deficit---it has alleviated it. The Trust Funds have been used for borrowing in the past to lower the perceived deficit. The system is solvent in the near-term, and any adjustments to accommodate future growth in beneficiaries should take place among the Trustees, not in the context of deficit reduction. The Social Security COLA, which already is biased against the elderly, should not be reduced. Instead, remove the cap on earned income subject to the FICA tax, and consider making unearned income subject to Social Security taxation.

4. **Build a better future:** enhance the economic security for Americans of all ages, strengthening the middle class and promoting job growth.

5. **Address system wide health care inflation:** do not shift higher costs on to consumers, to states or single out Medicare and Medicaid. Address the systemic causes of health care inflation, but do not punish patients for have a chronic condition.

6. **Protect consumers from devastating health costs:** Maintain the federal government's authority to determine eligibility and consumer protections for federal programs serving older adults and those with disabilities, particularly those living on low, fixed incomes. Medicaid block grants and Medicare privatization in the form of vouchers or premium support, must be averted.

7. **Reject arbitrary caps and triggers:** Avoid resorting to automatic, arbitrary spending caps and sequestration mechanisms which deny legislators the opportunity to set priorities in the allocation of tax dollars, now and in the future.

8. **Ensure flexibility to protect low-income Americans:** Protect income and supports and social insurance programs for low-income Americans. A balanced strategy must include revenue raisers and, where necessary, spending cuts. Raising the tax rate on upper income earners (including unearned income), and on corporate revenues, is a reasonable sharing of the burden of meeting our obligations to the vulnerable in our communities. Closing tax loopholes and exemptions, or means testing deductions and exemptions, is also an approach worth considering.

We believe that reducing the federal budget deficit is important, but spending cuts should not be made at the expense of economically disadvantaged seniors and younger Americans. Due to the recent economic downturn, more seniors than ever need assistance and support to make ends meet.

We in Massachusetts have been working to target tax dollars efficiently. Our efforts have helped reduce institutional long term care use by 29% over the past decade, saving Medicaid hundreds of millions of dollars. At the same time, tax cuts already enacted into law have made it harder for us to get the support we need to keep people living independently at home. As Thomas Jefferson once said, "Taxes should be proportioned to what may be annually spared by the individual."

We would like to meet with you to review specific ideas for imprinting the notion of 'shared sacrifice' into a deficit reduction package.

We wish you well during these imminent deliberations,



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