

Tax reform proposal has serious implications for older Americans

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Earlier this week, the Congressional Budget Office (CBO) [advised members of Congress](#) that the U.S. House of Representative's tax reform bill (the "Tax Cuts and Jobs Act," or H.R. 1) would result in automatic cuts to key federal programs, including a \$25 billion cut to the Medicare program in 2018 as a result of existing Congressional "pay-go" rules. Pay-go rules require the Office of Management and Budget (OMB) to make automatic cuts to mandatory spending when the deficit hits a certain level. With 55 million people already relying on Medicare for their well-being, the American Geriatrics Society (AGS) opposes any legislative proposal that would reduce access to Medicare for us all as we age.

While debate continues in the House, the U.S. Senate is also working on its own version of a [tax reform](#) bill (also known as the "Tax Cuts and Jobs Act," as is H.R. 1 in the House of Representatives). Both the House and Senate proposals are projected to add \$1.5 trillion to the deficit over 10 years—and, under pay-go rules, the proposed deficit spending would trigger automatic cuts of \$136 billion from mandatory spending programs in 2018.

Though Medicaid, Social Security, and other safety net programs would be exempt from such cuts, many discretionary programs important to the health of older Americans would face an uncertain future where funding is concerned. In addition to Medicare, these programs include many authorized under the Older Americans Act, as well as platforms for supporting our care under Title VII and VIII geriatrics health professions programs and research through the National Institute on Aging and

Veterans Affairs. The House bill also would eliminate important tax deductions for medical expenses and student loans, while the Senate bill would attempt to repeal the individual mandate supporting health insurance coverage under the Affordable Care Act (ACA). The CBO previously estimated that removing the mandate would leave 13 million more Americans without insurance.

"We are deeply concerned about the impact that the two tax reform proposals could have on older Americans as currently drafted," stated AGS Chief Executive Officer Nancy Lundebjerg, MPA. "We continue to offer our support and expertise to the many bipartisan legislators and experts working across the aisle on proposals that would give us all the opportunity to make open, informed decisions about a better health system."

Provided by American Geriatrics Society

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