



WASHINGTON UPDATE

OCTOBER 2015

Older Americans Act Update

The last concrete action to happen with the Older Americans Act was the Senate's unanimous voice vote passage of the Act in July. The House Committee on Education and the Workforce is now considering the Act.

A bill has not yet been introduced, but negotiations are ongoing behind the scenes between House and Senate staff to solidify a bill that wouldp pass in both chambers. Any alterations to the Senate bill would cause the Senate to have to vote on the bill again once it passes the House.

Contact Us

We welcome your feedback! Please share questions, suggestions or concerns.

Benjamin Rose Institute on Agina 11890 Fairhill Road Cleveland, OH 44120 216,791,8000 info@benrose.org

Sign up for the email version of this newsletter at www.benrose.org/KPI







Bipartisan Budget Deal Announced

On October 26, the White House and bipartisan leaders in Congress decided on a new two-year budget agreement, which was passed by the U.S. House of Representatives October 28 and in the Senate on October 30. This somewhat surprising action was timed to avoid having the nation go into default on November 3 when the debt ceiling would be reached.

An early review of the agreement shows a number of important positive features:

- 1. The agreement will prevent any sequestration until October 1, 2017 (meaning that it would stop sequestration through federal FY2016 and FY2017) and it increases non-defense discretionary spending by \$40 billion over the next two years. This does not permanently repeal sequestration, but it does stop it for the next two years.
- 2. The agreement does not allow the proposed 52 % premium increase for millions of Medicare Part B beneficiaries—about 30 % of all beneficiaries—to occur on January 1. Instead, these seniors will face an average premium increase of about 15 percent. It also prevents a large increase in deductibles for all Medicare beneficiaries next year, but deductibles will still increase by about 15 %. This fix is funded by a loan from the Medicare trust fund that will be repaid by adding a \$3 per month fee to all beneficiary bills through 2021. That fee starts next year for the 30 % of beneficiaries who would have to pay for the entire cost increase without this budget fix; the surcharge starts in 2017 for the remaining beneficiaries.
- 3. The agreement keeps Social Security Disability Insurance (SSDI) solvent through 2022, avoiding across-the-board cuts to disability benefits of nearly 20%, which would have occurred starting in late 2016. The agreement reallocates funding from the Old-Age and Survivors Insurance Trust Fund to the Disability Insurance (DI) trust fund. The reallocation also comes with funding for the Social Security Administration to reassess beneficiaries' disability status on a timely basis.

Following the adoption of the budget, work will resume on individual funding levels for federal programs. Funding has been held at current levels through December 11 under the terms of a Continuing Resolution.