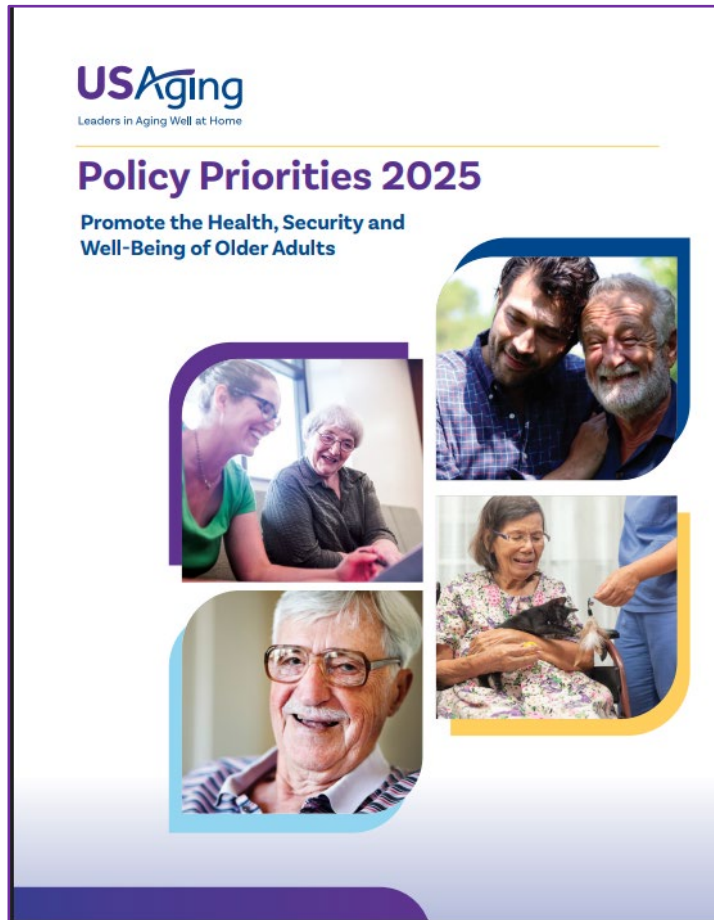




Federal Aging Policy Updates

Amy Gotwals, Chief, Public Policy and External Affairs

9.8.25



- **Older Americans Act**
- **Family and Professional Caregivers**
- **Medicaid HCBS**
- **Connect Health Care and Aging Sectors**

Read the full Policy Priorities at www.usaging.org/advocacy

Agenda

- Level Set on Federal Government
- Federal Budget 101
- Older Americans Act Funding and Authorization
- Other Impacts on Aging Americans and Caregivers
 - Medicaid, SNAP changes in OBBBA
 - Debt increases and solvency of Trust Funds
- Fall Forecast
 - Rescissions
 - Continuing Resolutions (CR)

State of DC

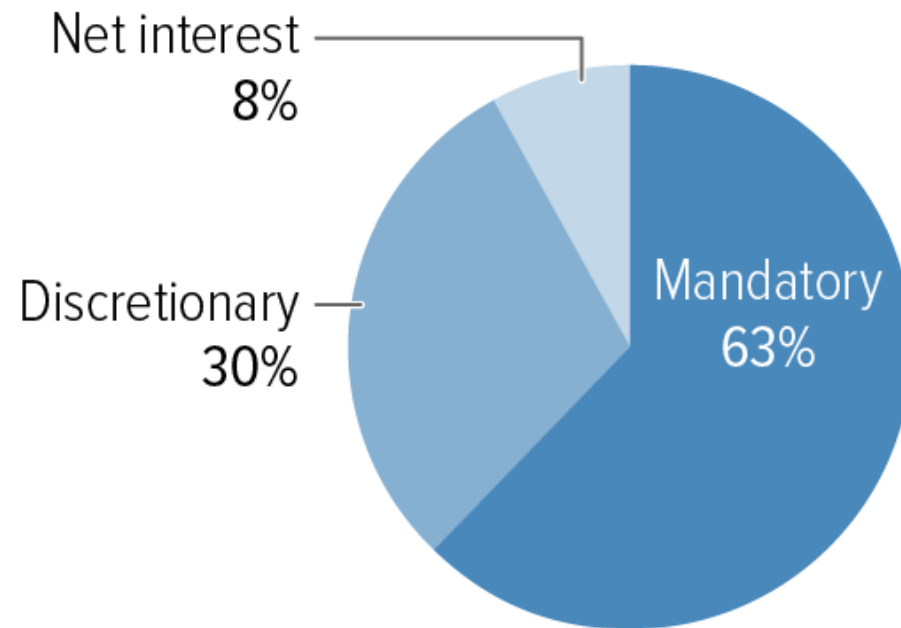
- Disruption, Lawsuits, Uncertainty, Funding Delays
- Power Struggles
 - Executive vs. Legislative (checks and balances)
 - Executive vs. Judicial (ditto)
 - Republicans vs. Democrats
- HHS Reorganization: Administration for Community Living moved, roughly half of staff fired, no regional administrators
- Losing talent, institutional knowledge in federal workforce



What's in the Federal Budget?

Most of the Federal Budget = Social Security and Major Health Programs (Mandatory Spending)

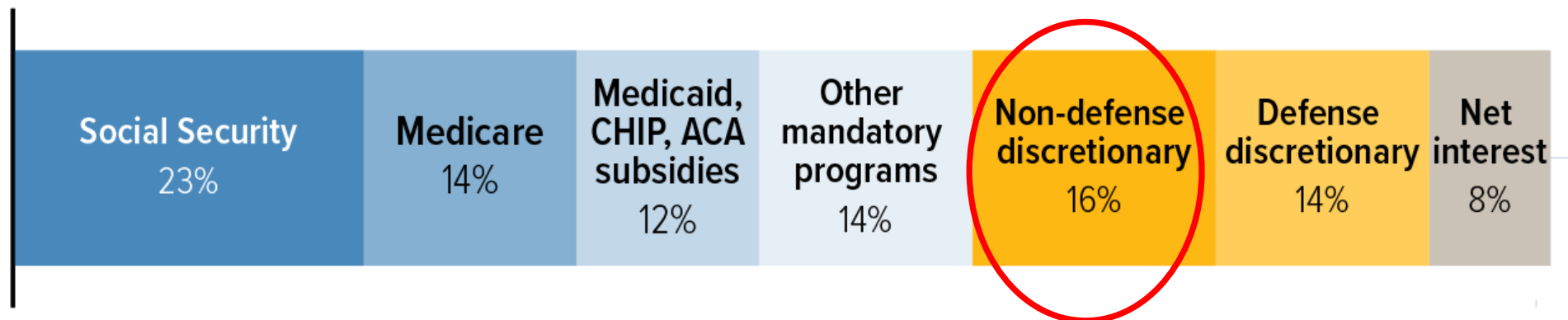
Types of Federal Spending, Fiscal Year 2023



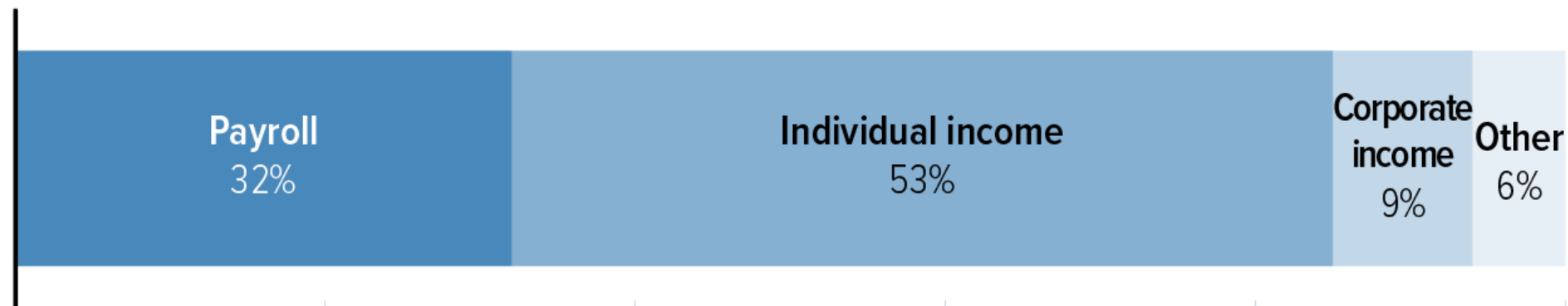
Note: Does not add to 100 percent due to rounding.

Source: Congressional Budget Office

Components of Federal Spending



Components of Federal Tax Revenue



Note: "CHIP" = Children's Health Insurance Plan. "ACA" = Affordable Care Act. "Other" includes excise, customs duties, and more. Data are for fiscal year 2023 and do not add to 100 percent due to rounding.

Source: Congressional Budget Office



FY 2026 Discretionary Appropriations

FY 2026 President's Budget

- OAA programs at HHS level funded
- 22.7 percent cut to Non-Defense Discretionary Funding
- What we do know: eliminated....
 - Low Income Home Energy Assistance Program (LIHEAP)
 - Community Development and Community Services Block Grants
 - Corp for National and Community Service (AmeriCorps Seniors)
 - Title V of the OAA, Senior Community Service Employment Program

FY 2026 Senate Labor/HHS

- Senate Appropriations Committee approved Labor/HHS bill on July 31
 - Level funding for most OAA programs
 - Level funding for State Health Insurance Assistance Programs (SHIP)
 - Provides funding for programs that were proposed to be eliminated in the President's budget (SeniorCorps, OAA Title V SCSEP, LIHEAP, Community Services Block Grant and more)

FY 2026 House Labor/HHS

- Passed out of subcommittee September 2
- Level funding for most OAA and ACL programs
 - Exception: Dept. of Labor's OAA program, Title V Senior Community Services Employment Program ELIMINATED
- Increases in USAging's top goals:
 - \$4 million boost to III B Supportive Services and Senior Centers
 - \$2 mil boosts to Title VI Part C caregiver support (16%) and Part A meals and supportive services (5%)
- Provides tiny increases for programs that were proposed to be eliminated in the President's budget (LIHEAP, Community Services Block Grant) and only cuts Americorps by 40% (vs. zeroed out)

What's Next?

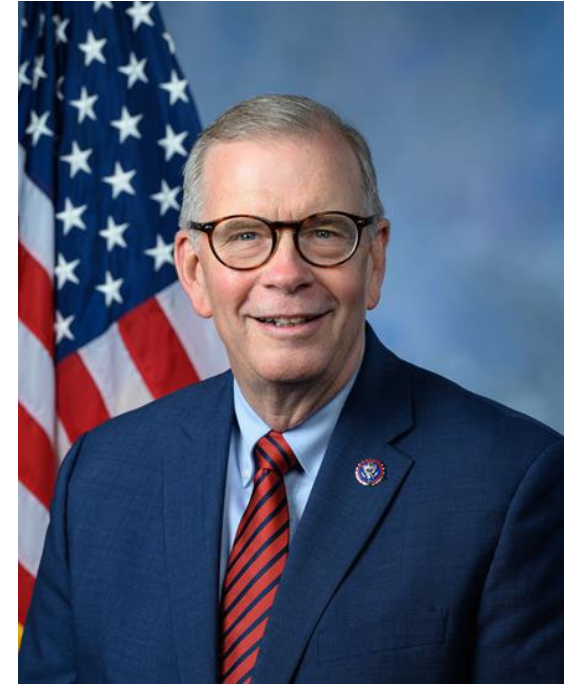
- Congress' Deadline: September 30 because Fiscal Year 2026 begins October 1, 2025
- Expect a Continuing Resolution...or many!
- Will Trump Administration rescissions fight lead to a government shutdown?
- Will they all give up and do a one-year CR again?
- If so, will it take 6 months again to get to that point?



Older Americans Act Reauthorization

OAA Reauthorization (119th)

- Senate sponsors re-introduced the Senate-passed bill on June 18, S. 2120. (Sen. Hawley is on the HELP Committee but has not co-sponsored.)
- New House Education and Workforce Chairman is Tim Walberg (R-MI). (Rep. Robert Onder (R-MO) is on this committee.)
- Strategic: once we get a (safe) green light, THEN advocacy will be needed



OAA 60th Campaign Continues!

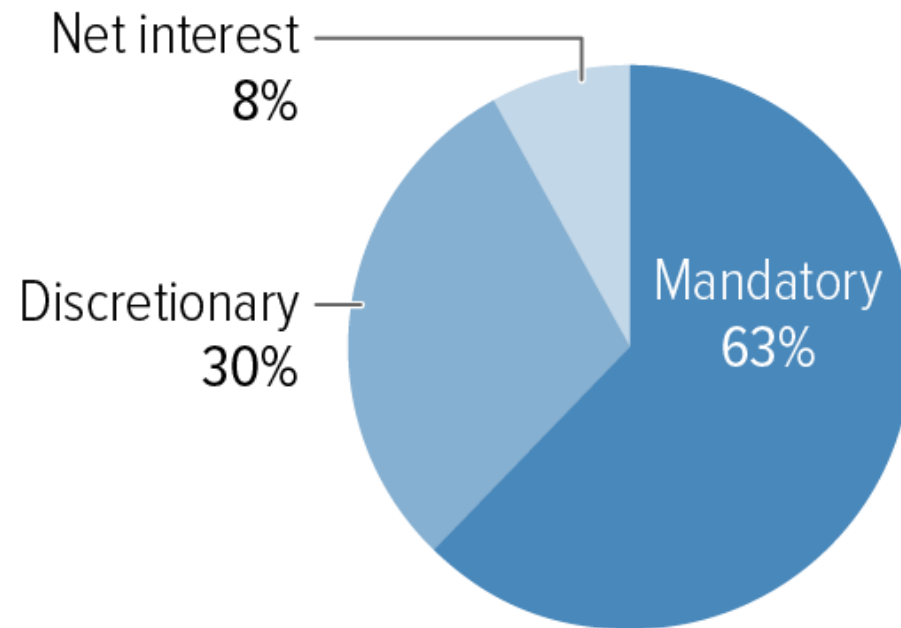


- Sample Advocacy Alert suitable for deep grassroots and consumers!
- New OAA fact sheet for education
- Social media kit with multiple images and messages to use
- Coordinated with ADvancing States, MOWA, NANASP and NCOA
- *usaging.org/currentissuesandresources*

**Reconciliation =
Major Cuts to
Mandatory Spending**

Most of the Federal Budget = Social Security and Major Health Programs (Mandatory Spending)

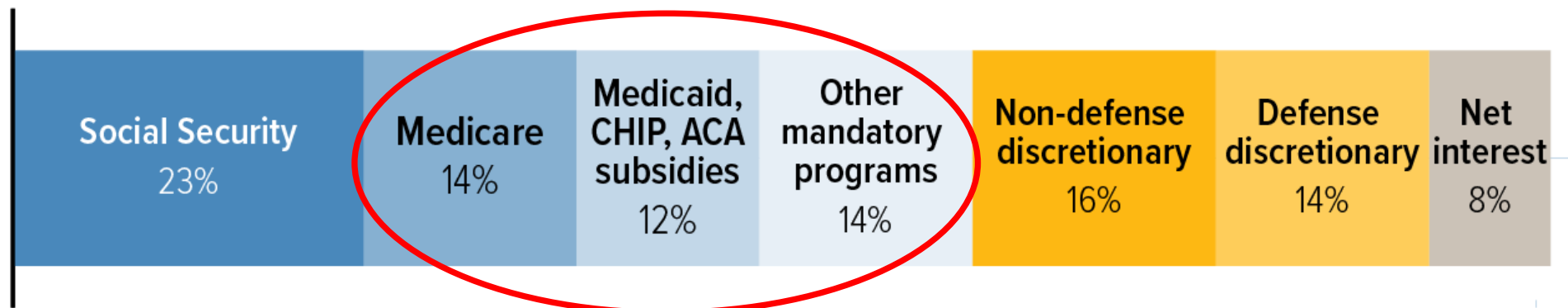
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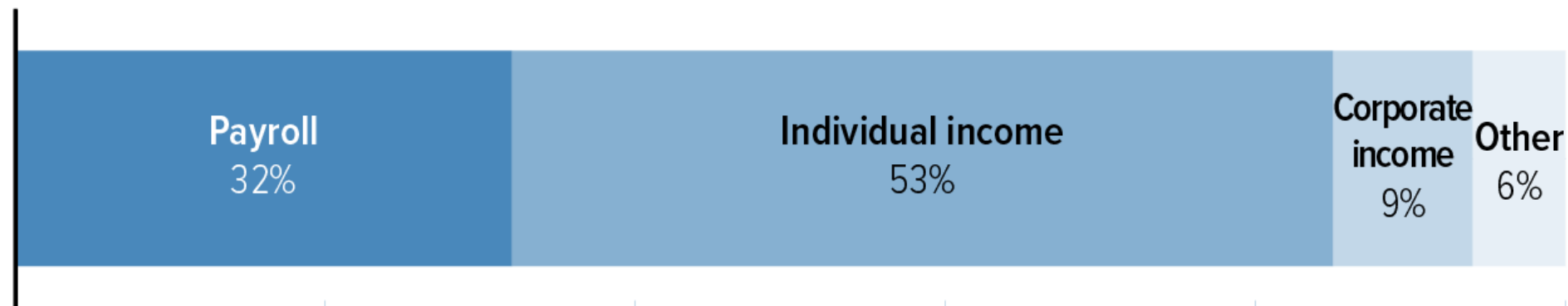
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The One Big Beautiful Bill Act

- OBBBA (H.R. 1) is a combination of:
 - major program increases (more than \$150 billion for Customs and Border Patrol, other homeland security programs; \$144 billion for defense projects)
 - historically large cuts to Medicaid (~\$1 trillion over 10 years) and SNAP (\$300+ billion over 10 years)
 - extension of 2017 tax cuts and new tax cuts (total cost ~\$3.7 billion)
- Cuts are to pay for tax cuts and increases but they don't fully do so: the bill generates \$3.3 trillion to the debt over 10 years (Source = Congressional Budget Office)

Medicaid Cuts Overview

- Theme = Reducing the rolls to save money
- Nearly a trillion in Medicaid cuts over 10 years
- NEW work requirements by Dec. 31, 2026; 80 hours of paid, volunteer or educational efforts a month for those 19-64 years old
- Tightens eligibility, more frequent eligibility re-tests
- Restricts provider taxes for states to raise revenue
- Requires states to charge \$35 cost-sharing on some expansion adults on some services

OBBBA also...

- Prohibits for 10 years the implementation of the Biden-era nursing home staffing regulation and the rule to make it easier to enroll in Medicaid and the Medicare Savings Programs.
- Establishes a rural health program that provides \$50 billion in grants to states for payments to rural health care providers from FY 2026 to FY 2030 that can be used for health care services, expanding the rural health workforce, providing technical or operational assistance and promoting care interventions.

(see our [Tracker](#) for details)

What About Medicare?

- Reduces access to Medicare for temporary protected status and refugees and asylees, who are currently eligible if they have paid sufficient Social Security and Medicare taxes.
- Terminates Medicare benefits no later than 18 months from enactment of the legislation for anyone who is currently receiving benefits but no longer eligible under these changes.
- Aforementioned prohibition on Medicare Savings Programs and Medicaid enrollment rule.

What About Medicare?

- The bill's impact on annual deficits would trigger more than \$500 billion in Medicare cuts between 2026 and 2034 because of S-PAYGO's rules that apply to mandatory spending sequestration.
- If not stopped by Congress, that's a 4% cut to providers, hospitals, etc.
- Other programs would be hit, as well, such as Social Services Block Grant.
- Congress unlikely to allow this to happen, then again....it's 2025 and conventional wisdom is being tested!

SNAP Eligibility and Benefits

- Supplemental Nutrition Assistance Program (SNAP) cuts of ~\$300 billion over 10 years
- Work requirements expanded
 - Newly applied to people age 55 to 64
 - Reducing the age of child in the household to under 14 to be exempt from work reqs (unless there are 2 parents)
 - Ends veteran, homeless protections
- Limits state waiver authority to areas with unemployment above 10% and caps the duration of any waiver at 12 consecutive months.

SNAP Cuts to States

- Increases states' admin. cost-share from 50→75% starting in FY 2027
- Beginning in FY 2028, states must also cover 5% of SNAP allotments. States with higher error rates would face increased cost-sharing requirements, up to 25%.
- Imposes these new costs on states with error rates as low as 6%. For context, currently 44 states have error rates higher than 6%.
- Limits Thifty Food Plan benefit reevaluations to every five years and mandates cost neutrality.

Debt Impact of OBBBA

- According to the nonpartisan Congressional Budget Office (CBO), the reconciliation bill would increase the debt over 10 years compared to current law by at least \$3.3 trillion. (Current debt = \$36 trillion)
- This puts pressure on the overall budget (including discretionary funding through annual appropriations process).
- A larger debt may make it harder to make the changes needed to ensure solvency of Social Security and Medicare.

Fall Forecast



- CR vs Shutdown on October 1?
- Rescissions?
- Second reconciliation bill?
- Can OAA reauthorization ride along with a year-end package?

Our To-Do List

- Protect and increase federal funding in FY 2026 appropriations
- Protect OAA and other aging programs through education on the return-on-investment
- OAA reauthorization only if can be done quietly and without any damage to the Act
- Weigh in on any OBBBA, OAA implementation/regulation opportunities at the state level!

USAging | Aging Policy Briefing
& Capitol Hill Day

Save the Date!

March 16–17, 2026

WASHINGTON, DC





USAging

Leaders in Aging Well at Home

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