



October 27, 2015

The Honorable Mitch McConnell
United States Senate
U.S. Capitol, S-230
Washington, DC 20510

The Honorable John Boehner
U.S. House of Representatives
U.S. Capitol, H-232
Washington, DC 20515

The Honorable Harry Reid
United States Senate
U.S. Capitol, S-221
Washington, DC 20510

The Honorable Nancy Pelosi
U.S. House of Representatives
U.S. Capitol, H-204
Washington, DC 20515

Dear Majority Leader McConnell, Democratic Leader Reid, Speaker Boehner, and Democratic Leader Pelosi:

On behalf of our 38 million members and as the largest nonprofit, nonpartisan organization representing the interests of Americans age 50 and older and their families, AARP strongly supports the bipartisan agreement you have reached to avert deep reductions in Social Security Disability Insurance benefits in 2016, and to address the imminent spike in Medicare Part B premiums which many older Americans would otherwise experience. Your efforts to reach across the aisle and together find sensible solutions to significant problems are appreciated and commended.

We support your agreement to ensure that 100% of Social Security Disability Insurance (SSDI) benefits will continue to be paid next year and through 2022. The Social Security Trustees' most recent report confirmed that in 2016, SSDI recipients will automatically lose 20% of their benefits because of insufficient payroll contributions to the SSDI trust fund. Also, 7 in 10 SSDI beneficiaries are age 50 or older. Accordingly, it is a high priority for AARP to ensure that payments continue to the 11 million beneficiaries and their families who depend on these critical benefits. Although the agreement will not provide a long-term solution to the funding challenge facing the SSDI trust fund, the six year extension will lend an important measure of stability to those who rely on these modest benefits, while requiring Congress to take further action relatively soon. Equally important, the agreement extends disability benefits even as it improves the finances of the combined Social Security Trust Funds, by closing unintended claiming loopholes and introducing new measures to combat fraud. Together, these provisions will add \$168 billion to the Social Security Trust Funds over the next 75 years. Finally, the agreement also includes new provisions to test work incentives for those who want to return to work, and to fund the Social Security Administration's efforts to improve program integrity. These measures can strengthen the SSDI program and improve public confidence in its administration.

We also would like to thank you for working together to address the potential spike in premiums for approximately 30 percent of Medicare beneficiaries. By finding a sensible solution to keep premiums manageable for over 16 million beneficiaries, Congress is helping to prevent financial hardship for many beneficiaries at a time when there is no Social Security cost of living adjustment. Medicare provides health security and financial peace of mind for beneficiaries - where the typical beneficiary has an income of \$24,150 and already spends 17 percent of their income on out-of-pocket health care costs. Additionally, the agreement also reduces the dramatic increase in deductibles for all Medicare beneficiaries. The agreement includes other budget savings by applying an inflation adjustment to Medicaid generic drug rebates, and more equitable payment levels for new off-campus outpatient departments -- both reasonable ways to reduce cost without harming beneficiaries. AARP thanks you for your efforts to keep health care costs for beneficiaries from rising due to no fault of their own.

Finally, AARP appreciates that the agreement modifies sequestration for discretionary programs for fiscal year 2016. The higher discretionary cap may prevent unwise cuts to countless programs serving older Americans. Sequestration relief for many health care, nutrition and supportive service programs is critically important to seniors as funding for them has declined over the past decade despite substantial increases in the population requiring this assistance.

Your efforts to reach a bipartisan accord on these two critical issues for older Americans is greatly appreciated. If you have any questions, please feel free to contact me or have your staff contact Joyce A. Rogers, Senior Vice President, Government Affairs at 202-434-3750.

Sincerely,

A handwritten signature in black ink that reads "Jo Ann C. Jenkins". The signature is written in a cursive style with a large, looping initial "J".

Jo Ann C. Jenkins
Chief Executive Officer