

CCoA  
California Commission on Aging

## AGEWATCH

**U.S. Supreme Court Upholds Affordable Care Act**

The U.S. Supreme Court Thursday morning released its decision to uphold virtually all of the Patient Protection and Affordable Care Act (ACA). On a 5 to 4 vote, the court ruled that the controversial individual **mandate requirement constitutes a tax, which falls within the federal government's Constitutional authority** to levy taxes. The individual mandate, which was included in the ACA at the request of health insurers, requires all U.S. citizens to purchase health insurance or pay a penalty.

The court also upheld the ACA's Medicaid expansion, but struck down the provision that allows the federal government to withhold all of a state's Medicaid funding if the state decides not to increase its Medicaid coverage. Under the ACA, the expansion would have required states to extend coverage to adults with incomes up to 133% of the federal poverty level beginning in 2014 or forego all of their Medicaid funding. The court's ruling makes the Medicaid expansion optional.

All other provisions of the law – including lower prescription drug costs for Medicare recipients and the gradual closure of the Medicare Part D prescription “donut hole” – remain intact.

As reported by the California HealthCare Foundation's (CHCF) June 22 publication, *California Healthline*, California will be one of the largest beneficiaries of the ACA, having a total of 7 million uninsured residents who could potentially gain coverage.

“Under the reform law, California could receive as much as \$9 billion annually to expand Medi-Cal, the state's Medicaid program. According to calculations from the Urban Institute, the state could receive an additional \$6 billion annually for low- and middle-income residents who buy subsidized insurance through the state health insurance exchange,” California Healthline reported. The CHCF publication additionally reported that California doctors could be eligible for approximately \$700 million in annual reimbursements for treating patients covered under the Medicaid (Medi-Cal) expansion.

An analysis of the Supreme Court's ruling and its impact on older adults can be found at <http://www.ncpssm.org/PressRoom/NewsReleases/Release/ArticleID/1003/Seniors-Advocates-Provide-Analysis-of-Supreme-Court-Ruling-and-Its-Impact-on-Seniors>. The actual text of the court's ruling can be found at <http://www.washingtonpost.com/blogs/ezra-klein/wp/2012/06/28/read-the-supreme-court-upholds-the-health-reform-law/>.

Information excerpted from CDCAN REPORT #129-2012: *US Supreme Court 193 Page Opinion In Health Care Reform Case*. California Healthline Thursday, June 28, 2012, *U.S. Supreme Court Upholds Federal Health Reform Law*; and Friday, June 22, 2012, *SCOTUS Decision Could Put California's Reform Efforts in Jeopardy*.

AGE WATCH is an occasional publication of the California Commission on Aging (CCoA) intended to inform, educate, and advocate. The CCoA is an independent state agency established in 1973 to serve as the principal state advocate on behalf of older Californians. The CCoA office is located at 1300 National Drive, Suite 173, Sacramento, CA 95834. (916) 419-7591

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## **Governor Brown Signs Balanced and On-Time California Budget**

Governor Jerry Brown signed a balanced state budget late Wednesday, four days before the start of the new fiscal year. The budget includes \$26.7 billion in General Fund dollars and \$78.4 billion in other funds, closing a \$15.7 billion deficit by cutting \$8 billion from government spending. Although a press release from the Governor's Office asserts that nearly all of state government faced spending cuts, health and human service programs affecting seniors and persons with disabilities were largely untouched by the final budget, having undergone such severe reductions over the past several years that little remains to be cut.

The 2012-2013 State Budget enacts significant welfare reform while increasing funding for K-12 education by 14 percent, pending voter approval of the Governor's initiative November ballot initiative. Known as the "Schools and Local Public Safety Protection Act," the initiative would temporarily increase the state sales tax by 1/4 cent and raise income taxes on the wealthiest Californians. Six billion dollars in "trigger" cuts to will be made to education and public safety if the initiative fails.

The final budget avoided further cuts to health and human services and education programs that impact children and adults with disabilities, mental health needs, the blind, seniors and low income families, honoring much of the work done by the Legislature in sending compromise budget language to the Governor. The Legislature rejected many of the reductions proposed in the Governor's January budget, restoring funding for the Caregiver Resource Centers and reducing the cuts to In-Home Supportive Services.

The Governor also signed 27 budget trailer bills implementing program changes corresponding with the new budget. Among the signed bills are the Coordinated Care Initiative (CCI) demonstration project for dual-eligibles (SB 1008), changes to various state health programs, including the CCI expansion into rural counties (AB 1467), and the integration of long-term services and supports, including In Home Supportive Services (SB 1036).

The State's new budget year begins on July 1. Details of the State Budget and budget trailer bills can be found on the Department of Finance website at [www.dof.ca.gov](http://www.dof.ca.gov) and the Governor's website at [www.gov.ca.gov/home.php](http://www.gov.ca.gov/home.php).

Information excerpted from CDCAN Report #127-2012: *Breaking News – Governor Signs Main Budget Bill*, CDCAN Report #130-2012: *Governor Brown makes Line Item Vetoes - But Impact to Health and Human Services Largely Avoided*; Governor Jerry Brown, press release, June 28, 2012, *Governor Brown Signs 2012-2013 Budget*.

## **Federal Aging Program Spending for 2013 Under Review in Congress**

2013 funding for aging programs is currently being considered in the Congress. As reported by the National Council on Aging, the Senate Appropriations Committee's proposals are promising for a number of important programs, including Chronic Disease Self-Management (\$10 million), Elder Falls Prevention (\$12 million), Elder Justice Act (\$8 million), and level funding for the Administration on Aging and Older Americans Act programs. The Committee also approved holding appropriations level for Section 202 Housing for the Elderly and an increase in support for reverse mortgage counseling.

The Senate's actions will be reconciled with the House version of the spending plan, which has yet to be released. Additional detail of the Senate's actions can be found at <http://www.ncoa.org/public-policy-action/policy-news/2013-appropriations-process.html>.

Excerpted from *2013 Appropriations Process Contains Good News for Aging Programs—So Far*, National Council on Aging, June 15, 2012.

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## **AARP Study Evaluates Medicare Out-Of-Pocket Spending; Average Annual Expense Totals \$3,100**

According to new report from the AARP Public Policy Institute, Medicare recipients spent a median of \$3,138 a year of their own money on health care in 2007, the latest year for which comprehensive data are available. While the data indicate that as many as ten percent of beneficiaries spend as little as \$356 a year on out-of-pocket expenses, it also found that another ten percent of beneficiaries—representing over 4 million people—spent more than \$7,861 a year. The oldest and poorest beneficiaries spent about one-quarter of their incomes on health care.



The full report can be found at <http://www.aarp.org/health/medicare-insurance/info-05-2012/medicare-beneficiaries-out-of-pocket-spending-for-health-care-AARP-ppi-health.html>

### **CONSUMER VOICE SEEKS INPUT ON IMPROVING HOME CARE**

The National Consumer Voice for Quality Long-Term Care invites consumers of paid Home Care to participate in a nation-wide conference call to about what makes for good care in the home when provided by a paid caregiver, such as an attendant, home care aide or homemaker. The call is set for July 31 from 12:00 -- 1:15 PDT.

Participants must register in advance to receive a set of questions before the call. During the call, they will have the opportunity to share their thoughts and ideas about the questions. Information from this discussion will be used in a report to policymakers, including recommendations about how to make home care better (note: the names of the conference call participants will NOT appear in the report).

Home care consumers are invited to register for the call at <https://cc.readytalk.com/cc/s/showReg?udc=fp9b1kcbb1uq>.

*Information provided by California Foundation for Independent Living Centers.*

### ***Upcoming Events***

- August 8-9, Triple-A Council of California, Sacramento, CA. 916-419-7591 for information.
- September 18, The SCAN Foundation's 2012 Summit on Long-Term Services and Supports. [www.thescanfoundation.org](http://www.thescanfoundation.org).
- September 18-19, California Commission on Aging, Sacramento. [www.ccoa.ca.gov](http://www.ccoa.ca.gov) for information.

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