



June 3, 2020

The Honorable Nancy Pelosi
H-222 Capitol
Washington, D.C. 20515

The Honorable Kevin McCarthy
H-204 Capitol
Washington, D.C. 20515

Dear Speaker Pelosi and Leader McCarthy:

The National Committee to Preserve Social Security and Medicare, Alliance for Retired Americans and Social Security Works, on behalf of the current and future Social Security and Medicare beneficiaries of this nation, strongly urge you to oppose any effort to include H.R. 4907, the TRUST Act or debt-to-Gross Domestic Product (GDP) budget targets in future coronavirus relief legislation.

H.R. 4907 would create so-called “Rescue Committees” that would draft legislation to address the solvency of federal trust funds, including the Social Security and Medicare funds. Once the respective Rescue Committees approve a trust fund bill, the legislation would receive expedited consideration in the House and Senate.

H.R. 4907 does not specify how solvency would be achieved, thus opening the Social Security and Medicare programs to whatever broad array of across-the-board cuts that the proposed committees may choose to offer. What’s more, the bill fails to require the committees to consider the importance of benefit adequacy given the growing number of working and middle-class Americans who depend on Social Security for all or most of their income in retirement or how Medicare benefit cuts would undermine the health security of seniors and people with disabilities.

In addition, we object to using the proposed committees to bypass the committees of jurisdiction over Social Security and Medicare — the House Committees on

Ways and Means and Energy and Commerce and the Senate Committee on Finance.

The National Committee, Alliance for Retired Americans and Social Security Works believes that fast-track consideration of Social Security and Medicare legislation required by H.R. 4907 would circumvent a deliberative and regular order process, limiting the participation of Social Security and Medicare stakeholders and advocates in the debate.

That would be unprecedented. Major changes to programs as important as Social Security and Medicare have always gone through the committees of jurisdiction. Even the Social Security Amendments of 1983, which were in response to a Social Security shortfall just months away, went through regular order, with hearings, public mark ups and full consideration with the opportunity for amendment both in committee and on the House and Senate floors.

The committees of jurisdiction should hold hearings, develop legislation and vote on the consensus package that they develop under the regular rules of the House and Senate. Adhering to regular order would ensure that the public has an opportunity to express their overwhelming support for Social Security and Medicare and opposition to unpopular benefit cuts.

As an alternative to including Social Security in H.R. 4907, we urge you instead to support H.R. 860, the Social Security 2100 Act. H.R. 860 clearly represents the consensus of an overwhelming majority of Americans to close Social Security's modest funding gap and improve Social Security benefits. It strikes the right balance between the overall financial needs of the program and the specific needs that still exist for strengthening the protections that Social Security provides.

Likewise, we support the House-passed H.R. 3, the Elijah E. Cummings Lower Drug Costs Now Act, because, by lowering prescription drug costs, it saves \$456 billion over 10 years, most of which would be reinvested into strengthening the Medicare program.

We also urge you not to include debt-to-GDP budget targets – as proposed in S. 2765 – in future COVID relief bills. While S. 2765 makes laudable changes to the congressional budget process, it would create an automatic budget reconciliation process that could result in deep cuts to Medicare, Medicaid, Affordable Care Act health insurance subsidies, Supplemental Security Income (SSI) and the Supplemental Nutrition Assistance Program (SNAP) – all mandatory programs that

are critical to the health and income security of millions of older Americans. S. 2765 would require that biennial budget resolutions include the level of debt as a percentage of GDP for each year covered by the budget resolution. In the second year of the budget resolution, an automatic budget reconciliation process would be triggered if the Congressional Budget Office (CBO) found that debt to GDP ratio had increased from the levels included in the budget resolution.

The Senate Budget Committee would be required to provide reconciliation instructions to the authorization committees to cut spending and/or increase revenue to ensure that debt ratio targets in the budget resolution are met. A budget reconciliation bill, containing the authorization committees' spending cuts and/or revenue increases, would be considered by the full Senate.

This automatic process would not consider the effect of economic downturns or changes in CBO economic and technical estimating assumptions – of which both could make the debt ratio appear worse. Triggering austerity during a weak economy would be particularly harmful to lower- and middle-income older adults who would already be struggling to pay for basic living expenses and out-of-pocket medical costs – just like they are now during our current crisis.

If the process included in S. 2765 had been law after the fiscal year 2018 budget resolution – used to facilitate the consideration of December 2017 tax cut legislation through the reconciliation process – CBO would have projected that \$3.0 trillion in 10-year deficit reduction was required. We are concerned that deficit reduction of this magnitude would result in devastating Medicare, Medicaid, health insurance subsidies, SSI and SNAP benefit cuts.

Given the economic and health insecurity that this bill is likely to cause for older Americans and people with disabilities, we urge you not to include debt-to-GDP budget targets in subsequent coronavirus bills.

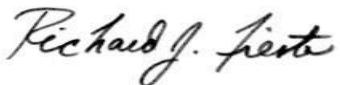
The public health crisis of the coronavirus is both a health and an economic threat to workers, older Americans, people with disabilities and survivors. That is why it was heartening to see the Congress respond to the particular peril faced by unemployed workers, older people and those with serious health conditions in the bipartisan CARES Act. Conversely, advancing proposals that are likely to undermine the health and economic security of millions of vulnerable Americans makes no sense.

For that reason, the National Committee to Preserve Social Security and Medicare, Alliance for Retired Americans and Social Security Works urges you to reject the TRUST Act and debt-to-GDP budget targets and instead to support legislation like the Social Security 2100 Act and the House-passed Elijah E. Cummings Lower Drug Costs Now Act that will strengthen the social insurance safety net, not weaken it.

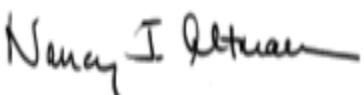
Sincerely,



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President
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