

4 Ways the Tax Cuts & Jobs Act Threatens Health Care for Older Adults

The [Tax Cuts & Jobs Act](#), the Republican House leadership's bill to overhaul the tax code, calls for enormous tax cuts for the wealthiest Americans and large corporations that would cost \$1.5 trillion. To pay for this \$1.5 trillion in lost revenue, Congressional leadership will look for ways to cut spending and is likely to target Medicaid, Medicare, and other programs on which older adults rely. In other words, tax cuts for the wealthiest will be used to justify health care cuts for the most vulnerable. Here are four ways the Tax Cuts & Jobs Act would jeopardize health care for older adults.

- 1. Puts Medicaid on the Chopping Block.** Medicaid, which provides health and long-term care for over [6 million low-income seniors](#), is an obvious target for large spending cuts. Based on the House's budget proposal, it is clear that if the tax cuts are enacted the resulting [\\$1.5 trillion loss in revenue will be used to justify slashing federal Medicaid spending](#) through per capita caps or block grants, either in this bill or in the future. The result would be reduced access to care and less coverage of services that help older adults live at home and in their communities.
- 2. Makes Medicare Beneficiaries Vulnerable to Increased Costs.** The \$1.5 trillion revenue cut is similarly likely to be used as [justification for Medicare cuts](#). The Medicare cuts outlined in the House's budget proposal would shift costs to beneficiaries by converting Medicare to a voucher or premium-support system, raising the eligibility age to 67, increasing cost-sharing for services, and raising income-related premiums.
- 3. Makes Affording High Out-of-Pocket and Long-Term Care Expenses More Difficult.** The bill [eliminates the medical expense tax deduction that provides tax relief to millions of older Americans](#) with high out-of-pocket and long-term care costs and modest incomes. Out-of-pocket health care costs are a [significant financial burden](#) for many Medicare beneficiaries, especially those with chronic conditions and who need long-term services and supports. Elimination of this deduction threatens these seniors' ability to afford needed services Medicare does not cover, as well as their financial well-being.
- 4. Cuts Revenue for State and Local Health Care Services.** The expected cuts to federal Medicaid funding will severely strain state budgets, forcing states to restrict Medicaid eligibility and cut services. These effects will exacerbate the [loss in state and local tax revenues](#) resulting from the tax bill's changes to federal deductions for these taxes, making it more difficult for states to fund Medicaid and for counties and cities to fund other health programs.