

PRINCIPLES TO ADDRESS THE NATION'S BUDGET DEFICIT

The Area Agency on Aging 1-B (AAA 1-B) supports adopting a balanced approach to addressing the nation's deficit, which protects low- and middle-income seniors who rely on core social insurance and community-based services and supports. The AAA 1-B believes the following principles should guide any negotiation to address the budget gap:

- 1. Establish balance:** In addressing the annual deficit and accumulated national debt, any budget agreement must adopt a *balanced approach*, including revenue raisers, as well as savings from mandatory and discretionary spending which yields the resources necessary to address national needs, reduce the deficit and retire debt.
- 2. Protect the most vulnerable:** Any budget agreement must protect those older adults and adults with disabilities in greatest need, both socially and economically, by fairly balancing budget resources against sacrifices, taking no actions that increase economic vulnerability or poverty, or result in a decreased level of health care provided.
- 3. Preserve delicate economic recovery:** Any budget agreement must be sensitive to the impact of the current economic downturn, which demands budget solutions that stabilize both the American economy and the budgets of low- and middle-income seniors.
- 4. Address system wide health care inflation:** Any budget agreement must spread the burden of spending cuts and revenue increases equitably among all stakeholders, and not shift higher costs on to consumers, states or Medicare and Medicaid disproportionately. Building on the cost savings and efficiencies of the Affordable Care Act, an agreement must slow the rate of increase in federal health spending by addressing the systemic causes of health care inflation that are the root cause of rising costs in federal health programs.
- 5. Reject arbitrary caps and triggers:** Any budget agreement must avoid resorting to automatic, arbitrary spending caps and mechanisms, and require legislators to set priorities and be held accountable for revenue and spending decisions, now and in the future.