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NEWS

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State Long-Term Care Leader: Massive Federal Medicare Cuts Will Hurt Seniors, Limit Access to Care, Risk Jobs

Urges Pennsylvania Congressional Delegation to Help Ensure Seniors' Care Needs Remain Key Priority of Health Care Reform

Harrisburg, PA – Federal Medicare cuts of \$44 billion will significantly endanger Pennsylvania's fragile long-term care delivery system, jeopardizing access to care for the commonwealth's frail elderly as well as the jobs of those who provide that care, said Stuart Shapiro, MD, President and CEO of the Pennsylvania Health Care Association (PHCA).

“State and federal lawmakers must understand that Medicare funding cuts coupled with the Medicaid crisis that is already plaguing many states – Pennsylvania included – undoubtedly will impact quality of care and access to care at the very time our baby boomers are reaching the age when many begin to need long-term care,” Dr. Shapiro said. “These cuts are a step in the exact wrong direction.”

The Obama Administration recently published a new Medicare regulation that will go into effect in October and will cost the nation's nursing homes approximately \$12 billion over the next 10 years. Additionally, national health care reform proposals before Congress mandate cutting Medicare funding for nursing homes by another \$32 billion over 10 years. Combined, the two measures equal \$44 billion in cuts.

Dr. Shapiro warned, “The one-two punch in federal Medicare cuts will push additional long-term care costs onto deficit-ridden Pennsylvania and risks reducing access to care for seniors.”

“In Pennsylvania, those cuts translate into a loss of \$2.1 billion,” Dr. Shapiro said. “The combined impact of the House Bill 3200 (national health care reform bill) with the new regulation would mean a cut of \$31.09 per Medicare patient day for nursing homes nationwide starting in January 2010.”

(more)

Pennsylvania nursing homes essentially care for two types of patients: those who need long-term, convalescent care and those who need shorter-term rehabilitative care, typically following a hospitalization. The Medicaid program, which is a mix of state and federal dollars, pays for low-income long-term care patients, while Medicare, a federal health care program, often pays for the shorter term rehabilitative care for those age 65 and older. Medicare does not pay for long-term, convalescent care.

Right now in Pennsylvania, Medicare payments keep many nursing homes afloat. The cost of caring for a Medicaid patient in a nursing home exceeds the reimbursement for that care by \$14 per patient per day, or \$5,000 per patient per year. Overall, 65 percent of nursing home residents in the commonwealth are on Medicaid.

Medicare, on the other hand, typically reimburses at a higher rate and makes up for the Medicaid shortfalls. Medicare pays for 10-15 percent of nursing home patients.

"These Medicare cuts are too deep. Besides placing seniors' quality care at risk and potentially forcing caregiver job cuts, if nursing homes are to keep accepting Medicaid patients, the states would have to begin paying for the real cost of care, which they already cannot afford," Dr. Shapiro said. "Congress must consider the already deep Medicare cuts implemented, take into account the state Medicaid funding crises compounding the negative impact on seniors' care, and ensure that total funding for nursing home care remains adequate to preserve quality and protect caregiver jobs. These are the real issues facing seniors and our lawmakers."

During the Congressional recess taking place right now, the long-term care community nationwide is asking federal lawmakers to keep the interests of seniors and those who care for them foremost in their minds. "We intend to explain in a tangible, informative manner why it is essential for Congress, upon its return to Washington in September, to recalibrate its thinking on health care reform and scale back these enormous Medicare cuts," Dr. Shapiro said.

PHCA is a statewide advocacy organization for Pennsylvania's most vulnerable older residents and their providers of care. Members comprise for-profit, nonprofit and government providers. PHCA, along with its sister agency, the Center for Assisted Living Management, represents 330 long-term care and senior service providers that care for 38,000 elderly and disabled individuals. For more information about PHCA, call 717-221-1800 or visit www.phca.org.

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