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**FOR IMMEDIATE RELEASE**

## NEWS

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### **PROPOSED MEDICARE CUTS IN NATIONAL HEALTH CARE REFORM WILL DISRUPT CARE FOR THE ELDERLY IN LONG-TERM CARE FACILITIES**

*\$44 billion in proposed Medicare cuts could bring severe impacts to Pennsylvania with its rapidly aging population*

**HARRISBURG** --- Health-care reform will hurt the nation's seniors if the Medicare cuts in the proposed federal legislation are enacted, said Dr. Stuart Shapiro, President and CEO of the Pennsylvania Health Care Association (PHCA). The nation's nursing homes – and their frail, elderly residents – face \$44 billion in Medicare cuts over the next 10 years – a move that will hurt quality care and access to care, especially in 'older' states like Pennsylvania.

“Health-care reform has been one of America’s biggest policy challenges for more than 40 years, and it isn’t getting any easier,” said Dr. Shapiro, a former aide to the late U.S. Sen. Ted Kennedy. “There are enormous challenges to moving this reform package forward, but if it is to be done, it must be done the right way ... and that does not include asking Pennsylvania’s elderly to give up access to care.”

Dr. Shapiro will appear on Pennsylvania Newsmakers, a statewide public affairs program that begins airing this weekend, to discuss the latest events in the U.S. health care debate.

His greatest concern is the \$44 billion in cuts proposed for Medicare in the pending legislation. New federal regulations would cut \$12 billion from nursing homes over the next 10 years, and the House health-care reform bill would slash Medicare funding to nursing homes by another \$32 billion over the same period. In Pennsylvania, nursing homes would see \$2.1 billion in Medicare cuts. That could put 2,300 nursing home jobs at risk, result in \$83.8 million in lost labor income and limit access to care.

“Pennsylvania’s population is old and getting older --- fast,” Dr. Shapiro said. “Now is when we should be shoring up programs that protect our most vulnerable residents --- the frail elderly and those with disabilities --- instead of dismantling them. You can’t achieve real health-care reform when you weaken the foundation of other key programs vital to American health.”

Dr. Shapiro commended President Obama for his congressional speech, and for working to clear up so many misconceptions about health-care reform. The next step, however, must be getting to the negotiating table to hammer out a deal to secure reform before time runs out and public support runs dry. Among the options Dr. Shapiro recommended:

- **Retain universal health care as a primary goal.** Universal health care has undeniable appeal, but it can't be rushed, Dr. Shapiro said, no matter how dire the need. Phase in the plan over time, as the country can afford it, and tie expanding coverage to specific triggers when particular cost and care goals are met. Dr. Shapiro suggested starting with expanding coverage for children and large- and medium-sized employers, and progress step-wise slowly until all are covered.
- **Mandate insurance coverage for each group that is triggered and community rate everyone.** As a group is triggered, Dr. Shapiro said, make it a legal requirement that they obtain adequate private health insurance coverage. Define the minimum benefit package and provide some subsidies, if necessary. Hold up on smaller businesses (than 150 employees, for example) until a later phase.
- **Include real cost controls.** Dr. Shapiro said there is little cost control in the bills circulating in Congress today, and projected costs (\$1.5 trillion over 10 years) inevitably fall far short of actual costs after implementation. Cost controls should include tight fee schedules for prescriptions, physicians, and hospitals. Compensation should be based on the quality of care, not the quantity of procedures. New treatments, procedures, and drugs should not be reimbursed until they have been shown to have more than a marginal benefit.
- **Include tort reform.** Medical malpractice lawsuits, and defensive medicine, have a direct effect on a health provider's operating costs. Yet, the 1,018-page health-care reform proposal in the House is silent on the issue, as is the White House, although discussions on the topic are starting to ramp up. Aside from the savings it could generate, including tort reform could be among the missing links that help to bring Republican legislators on board to support and pass a Democratic plan.

"Pennsylvania Newsmakers," with host Dr. G. Terry Madonna, is the state's premier politics and public policy talk television show. The show will air regionally as indicated below:

- WGAL Channel 8 (Harrisburg and Lancaster) at 11 a.m. Sunday, Sept. 13
- WBPH (Lehigh Valley and Philadelphia) at 8:30 p.m. Monday, Sept. 14.
- WKBS 47 (Altoona) at 11:30 a.m. Saturday, Sept. 19.
- WPCB 40 (Pittsburgh) at 11:30 a.m. Saturday, Sept. 19.
- CATV Channel 8 at 7 p.m. Tuesday, Sept. 15 and 1 p.m. Wednesday, Sept. 16.

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 more than 334 long-term care and senior service providers that care for almost 33,200 elderly and disabled individuals. For more information call 717-221-1800 or visit [www.phca.org](http://www.phca.org).

Video streaming of the entire "Pennsylvania Newsmakers" program featuring Dr. Shapiro will be available at [www.newsmakerstv.com](http://www.newsmakerstv.com).

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