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National Health Leaders Urge MedPAC to Support Annual Nursing Home Inflation Update

- Preserving Care Quality Gains, Protecting Local Health Jobs, Ongoing State Budget Crisis Cited –

Washington, DC – The American Health Care Association (AHCA) and Alliance for Quality Nursing Home Care today said that when the Medicare Payment Advisory Commission (MedPAC) makes its formal guidance to Congress regarding FY 2012 Medicare funding levels, it should recommend a market basket cost of living update for skilled nursing facilities (SNFs). The groups argue the update is necessary at this time to preserve access to quality care, protect good local health care jobs, and sustain the funding stability needed for the continued quality improvements recently cited by MedPAC itself.

“We believe Congress should make its Medicare funding decisions based upon the entire economic picture, and our collective desire to preserve elderly constituents’ care, protect good paying front line care jobs, and safeguard the economic stability local facilities depend upon to sustain hard won quality gains,” said AHCA President and CEO Bruce Yarwood, and Alliance President Alan G. Rosenbloom. “MedPAC itself said earlier this year that quality in the nation’s nursing homes has been ‘slowly improving since 2001,’ and the Medicare market basket update is essential to sustaining this progress.”

Yarwood and Rosenbloom said considering Medicaid margins in the formulation of Medicare funding policy is essential to accurate payment formulation. Medicaid funding for SNFs continues to be inadequate, and fiscal pressures at the state level will only make matters worse. The AHCA and Alliance leaders also pointed out that yesterday’s release of the “Fiscal Survey of States” by the National Governors Association (NGA) forecasted “considerable fiscal stress” in the year ahead, and possible “severe cuts to state programs and services.

They also noted cumulative SNF Medicare cuts of nearly \$30 billion over ten years – from passage of health care reform and regulatory changes over the past two years – have contributed significantly to the fragility of the sector itself.

“The growing cumulative funding pressure placed on Medicaid and Medicare has significantly reduced facilities’ resource-base at a time when patients have more medically complex needs than ever before. The update is wholly warranted on the basis of facts on the ground, and the realities faced by seniors and their caregivers every day,” they concluded.