

June XX, 2009

The Honorable Kathleen Sebelius  
Secretary  
Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, DC 20201

Dear Secretary Sebelius:

We are deeply concerned that access to high-quality skilled nursing care for America's seniors will be jeopardized if the Centers for Medicare and Medicaid Services (CMS) move forward with an administrative proposal that will drastically cut Medicare funding for skilled nursing facility care by up to \$18 billion over ten years. This cut would further devastate our national economy as it would result in the elimination of more than 30,000 jobs, diminish business activity by \$2.5 billion, and further reduce federal, state and local tax revenues. On behalf of our nearly two million Medicare beneficiaries who receive skilled nursing care annually, we urge the Department to rescind the proposed rule.

In 2006, CMS revised and expanded the Medicare patient classification system used to set Medicare daily payment rates for nursing and rehabilitative care provided in skilled nursing facilities. Unfortunately, the revised system did not account for the increasing complexity of care provided to SNF patients, and the agency is now proposing to cut billions in crucial Medicare funds to account for its projection errors. We believe that this proposal is not an appropriate solution as it is shortsighted and harmful for Medicare beneficiaries and caregivers alike.

Compounding the deep Medicare cuts, the proposed regulation includes implementation of a radically different patient classification system (RUG-IV) on October 1, 2010. However, CMS only provides a short 60-day comment period for reaction to complex changes that would not be implemented until FY 2011, without at this time providing the necessary data required for an appropriate response. As to avoid the errors created with the revisions in 2006, and acknowledged in the proposed regulation, CMS should extend the comment period and implementation of RUG-IV until essential data and information is collected and analyzed. This approach will ensure that the final system meets the skilled nursing and rehabilitative care needs of our nation's seniors.

On behalf of the millions of constituents who rely on vital care and services delivered 15,000 skilled nursing facilities nationwide, we urge you to rescind the proposed rule that includes drastic cuts to Medicare funded care and an overhaul of the patient classification and payment system.

Sincerely,