

Congress of the United States
Washington, DC 20515

Protect Funding for Seniors in Our Nation's Nursing Homes

May 29, 2009

Dear Colleague:

Please join us in sending the attached letter to Health and Human Services Secretary Kathleen Sebelius asking her to preserve critical Medicare funding to the long term and post-acute care community.

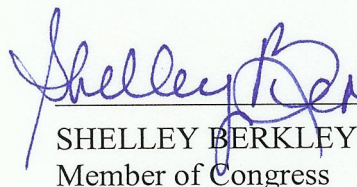
As you may be aware, the Centers for Medicare and Medicaid Services (CMS) has once again issued a Proposed Rule that features an administrative tactic that would slash Medicare funding for skilled nursing facility (SNF) care by \$1.05 billion in Fiscal Year 2010. The purpose of this cut is to accommodate the agency's "projection error." This plan would result in a cut to SNFs of \$7.23 billion over five years, rising sharply to \$18 billion over ten years.

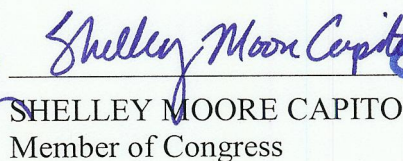
The Medicare cuts resulting from this Proposed Rule will translate into at least 30,323 lost jobs in skilled nursing facilities around the country, adding to the already swollen rolls of the unemployed. This would also lower business activity by \$2.5 billion, further reducing federal, state and local tax revenue. These ill-advised reductions to reimbursements will threaten the quality of care provided in skilled nursing facilities, and could ultimately limit access to nursing home care for our nation's seniors.

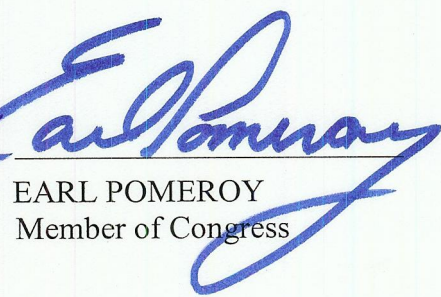
Please join us in urging Secretary Sebelius and CMS to reconsider these proposed cuts. Ensuring adequate and fair reimbursements is crucial for long term care professionals to continue to provide the highest quality care to nearly 2 million Medicare beneficiaries in more than 15,000 nursing homes across the country.

For more information, contact Matt Coffron in Rep. Berkley's office at 5-5965 or matthew.coffron@mail.house.gov, Aaron Sporck in Rep. Moore Capito's office at 5-2711 or aaron.sporck@mail.house.gov or Melanie Rhinehart Van Tassell in Rep. Pomeroy's office at 5-2611 or melanie.rhinehart@mail.house.gov.

Sincerely,


SHELLEY BERKLEY
Member of Congress


SHELLEY MOORE CAPITO
Member of Congress


EARL POMEROY
Member of Congress

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 threatened if the Centers for Medicare and Medicaid Services (CMS) moves forward with an administrative proposal that will drastically cut Medicare funding for skilled nursing facility (SNF) care. This proposal will reduce reimbursements to SNFs by a projected \$7.23 billion over five years, rising sharply to \$18 billion over ten years. These cuts will result in the loss of at least 30,323 jobs in skilled nursing facilities around the country and diminish business activity by \$2.5 billion, further reducing federal, state and local tax revenue. On behalf of our nearly 2 million Medicare beneficiary constituents who receive care in SNFs annually, we urge the Department to reject the proposed rule and the resulting cuts to essential nursing and rehabilitative care.

In 2005, CMS revised and expanded the Medicare patient classification system – called Resource Utilization Groups or RUGs – used to set Medicare Part A daily payment rates for seniors in SNFs. Unfortunately, CMS assumptions did not account for the increasing complexity of care provided to SNF patients. To address the agency's projection errors, CMS proposes to "recalibrate" the payment rates in order to "rebalance" the system. While this proposal may provide the agency with an easy administrative solution, such action will be harmful and shortsighted for Medicare beneficiaries and caregivers alike. More than 150 Members of Congress publicly opposed the proposal when it was first suggested by CMS last year.

We are concerned the proposed rule recommends the development of a radically different patient classification system (RUG-IV) that would be implemented in FY 2011 – less than five years after the implementation of RUG-III – and allows only a limited 60-day comment period for reaction to complex changes. CMS should examine the overall RUG payment system and seek targeted changes aimed at properly incentivizing care, rather than the current proposal to institute drastic system changes and across-the-board cuts.

Given the well-recognized underfunding of SNF care by the Medicaid program, it is important to examine federal reimbursements as a whole when making decisions with such potentially harmful consequences. Medicare and Medicaid are linked in the funding of long term care and overall federal support must be maintained at an adequate level to ensure that our most vulnerable citizens have access to high-quality post-acute care. On behalf of our many constituents in the more than 15,000 SNFs nationwide, we urge you to reject this proposed rule.

Sincerely,