

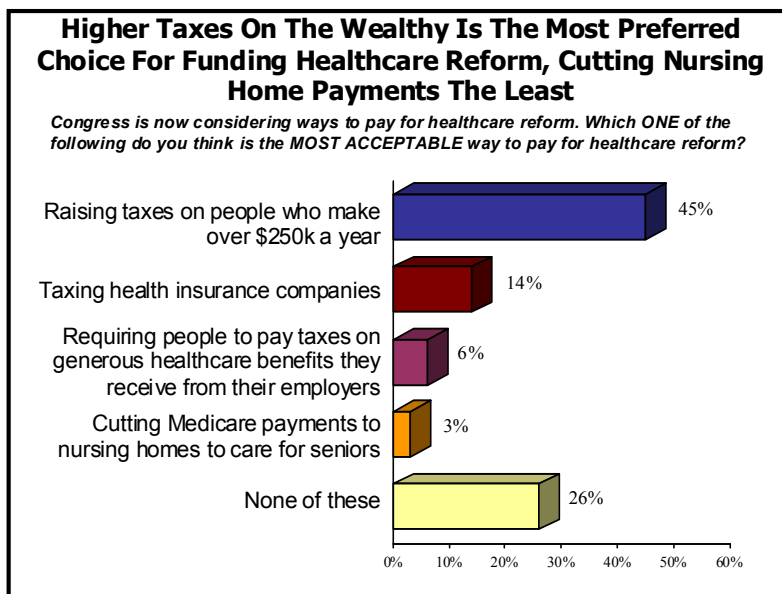


To: American Health Care Association
From: The Mellman Group, Inc.
Re: Survey Results
Date: August 25, 2009

This analysis represents the findings of a national survey of 1000 registered voters. Interviews were conducted by telephone August 21-24th, 2009. The margin of error for this survey is +/-3.0% at the 95% level of confidence. The margin of error is higher for subgroups.

Voters overwhelmingly oppose cutting Medicare payments to nursing homes as a means of financing healthcare reform, expressing their distaste for this approach in several ways during our brief survey. First, it is the least popular of the funding options being considered. Second, cutting Medicare payments to nursing homes is far and away the least acceptable method of financing reform. Finally, a large majority of voters would feel less favorable toward a Member of Congress who supported such an approach. The reason is straightforward—most Americans believe that cutting such payments will reduce the quality of care seniors receive in nursing homes.

Cutting Medicare Payments To Nursing Homes Is the Least Popular Option For Financing Healthcare Reform



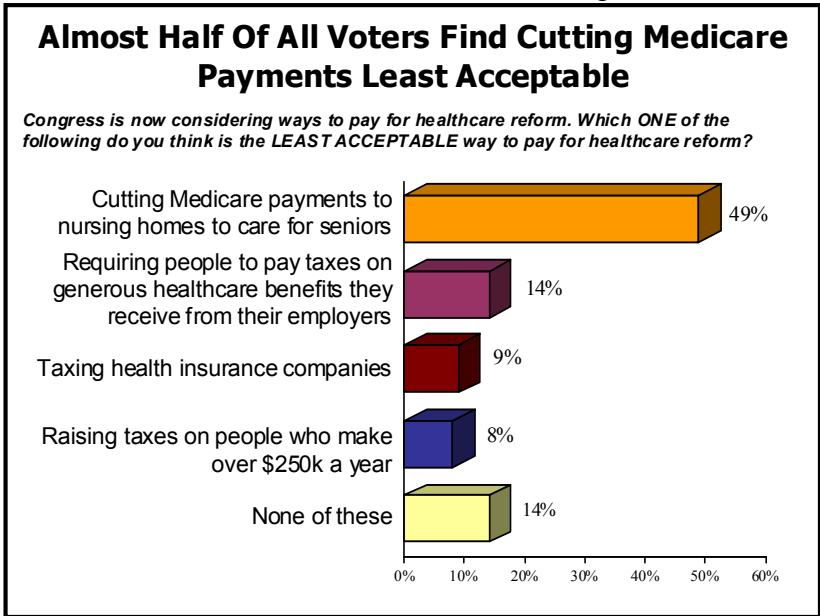
Given a choice among four options for paying the cost of healthcare reform, nearly half the electorate (45%) selected raising taxes on those who earn over \$250,000 a year as the “most acceptable.” Following at a distance were taxing health insurance companies (14%) and requiring people to pay taxes on generous healthcare benefits they receive from their employers (6%). At the very bottom of the list, just 3% preferred cutting Medicare payments to nursing homes to care for seniors. The remaining 26% volunteered that none of the options were acceptable.

In no subgroup of the electorate did more than 9% identify nursing home cuts as the most acceptable alternative, while in every segment, raising taxes on the wealthy was considered most acceptable option by the largest number. Even among those who make over \$100,000 per year, one-third (34%) said taxing incomes over \$250k was most acceptable, whereas just 4% preferred cutting Medicare payments to nursing homes.

Voters Strongly Object To Cutting Medicare Nursing Home Payments To Fund Health Reform

Another question presented the same list but asked voters which was the *least* acceptable source of funds for healthcare reform. Half (49%) identified cutting Medicare payments to nursing homes as unacceptable. Taxing generous healthcare benefits is well behind cutting Medicare payments at 14%, with just 9% and 8% respectively finding taxing health insurance companies and taxing people who make over \$250,000 a year unacceptable.

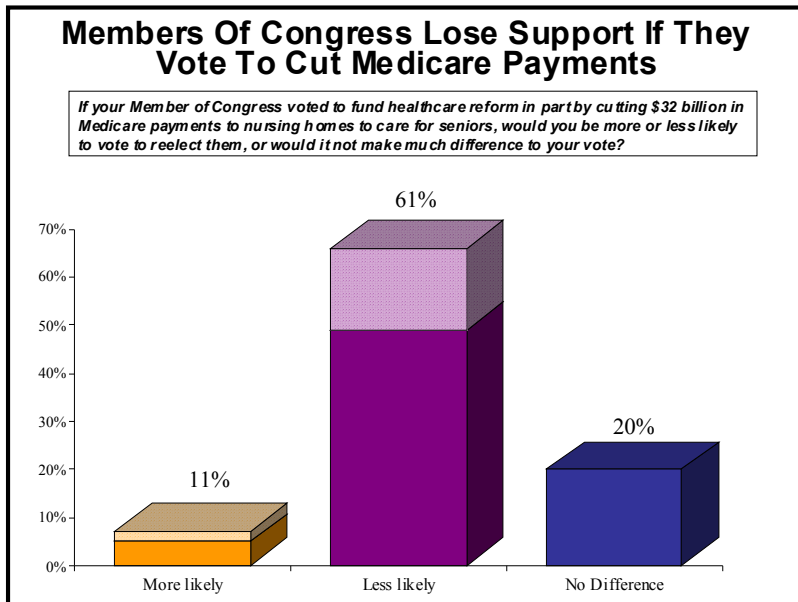
Young people (under 34) are particularly opposed to cutting Medicare payments (57% chose Medicare as least acceptable), as are those making \$35 – \$50 thousand a year (63%), college grads (58%) and those making \$50 to 75 thousand a year (56%).



Most Believe A \$32 Billion Dollar Cut To Nursing Homes Will Reduce The Quality Of Care

A large 78% of voters predict that if Congress cuts \$32 billion dollars in Medicare payments to nursing homes, the quality of care delivered to seniors will decline. Eleven percent (11%) believe it will stay about the same and 7% believe it will improve. Fifty-nine percent (59%) say care will get “much worse.”

Seniors are equally concerned, as 78% of those over 65 believe nursing home care will get worse because of such cuts and a majority believe care will get much worse (58%). Those approaching retirement age (55-64) express even more concern. Eighty-three percent (83%) believe care will worsen.



Voters Say Support For Cutting Medicare Payments To Nursing Homes Will Cost Members Votes

Two-thirds (66%) of registered voters say they would be less likely to reelect a Member of Congress who voted to cut \$32 billion from Medicare for nursing home care, with 49% *much* less likely to reelect their Member of Congress if s/he supported the cut. Those over 65 are most likely to punish their Member,

as 73% of this group are less likely to reelect a Member of Congress who supports the Medicare cuts in order to fund healthcare reform and 60% are much less likely to do so.

Conclusion

Voters clearly object to using Medicare payments as a source of funds for healthcare reform—it is both the least acceptable and most unacceptable way to finance reform. Voters are much more willing to entertain other financing mechanisms including taxing those who make over \$250,000 per year. Voters say they will take out their anger on Members who vote for such nursing home cuts at the ballot box. While healthcare reform is important to many Americans, Medicare funds for nursing homes are considered off limits as a way to finance reform.