

Arkansas

The proposed \$1.05 billion reduction in Medicare Part A skilled nursing facility expenditures on a nationwide level has a substantial impact on the local, state, and national economies. The estimated economic impact for Arkansas is a reduction of \$13,911,911 in business activity, a reduction of \$6,718,290 in labor income, and a loss of 255 jobs.

The following schedule illustrates the direct, indirect, and induced impact of this cut in reimbursement on the state of Arkansas.

Economic Impact of Medicare Nursing Facility Payment Cutback Fiscal Year 2010

Arkansas				
	Direct	Indirect	Induced	Total
Business Activity Impacts (\$)	8,829,569	1,715,647	3,366,695	13,911,911
Income Impacts (\$)	5,249,783	466,284	1,002,223	6,718,290
Employment Impacts (Jobs)	207	15	33	255

Direct Effect represents the impact (e.g., change in employment or revenues) for the expenditures and/or production values specified as direct final demand changes.

Indirect Effect represents the impact (e.g., change in employment) caused by the iteration of industries purchasing from industries resulting from direct final demand changes.

Induced Effect represents the impacts on all local industries caused by the expenditures of new household income generated by the direct and indirect effects of direct final demand changes.

Total Impact is the sum of the direct, indirect, and induced effects.

Labor Income is the sum of employee compensation and proprietary income.

Economic Impact Analysis: Impact Analysis For Planning (IMPLAN) software, Minnesota IMPLAN Group, Inc., 2007 data.

Arkansas Congressional District 1

The proposed \$1.05 billion reduction in Medicare Part A skilled nursing facility expenditures on a nationwide level has a substantial impact on the local, state, and national economies. The estimated economic impact for Arkansas Congressional District 1 is a reduction of \$3,271,379 in business activity, a reduction of \$1,668,671 in labor income, and a loss of 64 jobs.

The following schedule illustrates the direct, indirect, and induced impact of this cut in reimbursement on Arkansas Congressional District 1.

Economic Impact of Medicare Nursing Facility Payment Cutback Fiscal Year 2010

Arkansas Congressional District 1				
	Direct	Indirect	Induced	Total
Business Activity Impacts (\$)	2,304,158	295,981	671,240	3,271,379
Income Impacts (\$)	1,369,946	89,004	209,721	1,668,671
Employment Impacts (Jobs)	54	3	7	64

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Prepared by Research Department of American Health Care Association using IMPLAN software, 2007 claims data, and components of proposed SNF PPS rule for fiscal year 2010.

Arkansas Congressional District 2

The proposed \$1.05 billion reduction in Medicare Part A skilled nursing facility expenditures on a nationwide level has a substantial impact on the local, state, and national economies. The estimated economic impact for Arkansas Congressional District 2 is a reduction of \$2,969,216 in business activity, a reduction of \$1,479,338 in labor income, and a loss of 55 jobs.

The following schedule illustrates the direct, indirect, and induced impact of this cut in reimbursement on Arkansas Congressional District 2.

Economic Impact of Medicare Nursing Facility Payment Cutback Fiscal Year 2010

Arkansas Congressional District 2				
	Direct	Indirect	Induced	Total
Business Activity Impacts (\$)	1,976,302	366,264	626,650	2,969,216
Income Impacts (\$)	1,177,018	104,523	197,797	1,479,338
Employment Impacts (Jobs)	46	3	6	55

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Arkansas Congressional District 3

The proposed \$1.05 billion reduction in Medicare Part A skilled nursing facility expenditures on a nationwide level has a substantial impact on the local, state, and national economies. The estimated economic impact for Arkansas Congressional District 3 is a reduction of \$3,238,482 in business activity, a reduction of \$1,607,060 in labor income, and a loss of 60 jobs.

The following schedule illustrates the direct, indirect, and induced impact of this cut in reimbursement on Arkansas Congressional District 3.

Economic Impact of Medicare Nursing Facility Payment Cutback Fiscal Year 2010

Arkansas Congressional District 3				
	Direct	Indirect	Induced	Total
Business Activity Impacts (\$)	2,147,685	386,741	704,056	3,238,482
Income Impacts (\$)	1,282,284	108,236	216,540	1,607,060
Employment Impacts (Jobs)	49	4	7	60

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Arkansas Congressional District 4

The proposed \$1.05 billion reduction in Medicare Part A skilled nursing facility expenditures on a nationwide level has a substantial impact on the local, state, and national economies. The estimated economic impact for Arkansas Congressional District 4 is a reduction of \$3,495,115 in business activity, a reduction of \$1,722,647 in labor income, and a loss of 69 jobs.

The following schedule illustrates the direct, indirect, and induced impact of this cut in reimbursement on Arkansas Congressional District 4.

Economic Impact of Medicare Nursing Facility Payment Cutback Fiscal Year 2010

Arkansas Congressional District 4				
	Direct	Indirect	Induced	Total
Business Activity Impacts (\$)	2,401,424	355,394	738,297	3,495,115
Income Impacts (\$)	1,420,950	92,493	209,204	1,722,647
Employment Impacts (Jobs)	58	3	8	69

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United States

The proposed \$1.05 billion reduction in Medicare Part A skilled nursing facility expenditures on a nationwide level has a substantial impact on the local, state, and national economies. The estimated economic impact for United States is a reduction of \$2,538,574,941 in business activity, a reduction of \$1,102,133,619 in labor income, and a loss of 30,323 jobs.

The following schedule illustrates the direct, indirect, and induced impact of this cut in reimbursement on the United States.

Economic Impact of Medicare Nursing Facility Payment Cutback Fiscal Year 2010

United States				
	Direct	Indirect	Induced	Total
Business Activity Impacts (\$)	1,050,000,000	457,958,967	1,030,615,974	2,538,574,941
Income Impacts (\$)	640,413,737	139,085,410	322,634,472	1,102,133,619
Employment Impacts (Jobs)	20,219	2,842	7,262	30,323

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