

## Delaware

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 Delaware is a reduction of \$4,975,955 in business activity, a reduction of \$2,551,022 in labor income, and a loss of 73 jobs.

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

### Economic Impact of Medicare Nursing Facility Payment Cutback Fiscal Year 2010

<b>Delaware</b>				
	Direct	Indirect	Induced	Total
<b>Business Activity Impacts (\$)</b>	<b>3,261,472</b>	<b>560,202</b>	<b>1,154,281</b>	<b>4,975,955</b>
<b>Income Impacts (\$)</b>	<b>2,001,477</b>	<b>168,415</b>	<b>381,130</b>	<b>2,551,022</b>
<b>Employment Impacts (Jobs)</b>	<b>59</b>	<b>4</b>	<b>10</b>	<b>73</b>

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.

## 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

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

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.