

Kentucky

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 Kentucky is a reduction of \$26,297,493 in business activity, a reduction of \$13,114,557 in labor income, and a loss of 398 jobs.

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

Economic Impact of Medicare Nursing Facility Payment Cutback Fiscal Year 2010

Kentucky				
	Direct	Indirect	Induced	Total
Business Activity Impacts (\$)	16,647,711	2,985,487	6,664,295	26,297,493
Income Impacts (\$)	10,204,136	872,098	2,038,323	13,114,557
Employment Impacts (Jobs)	309	26	63	398

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.

Kentucky 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 Kentucky Congressional District 1 is a reduction of \$4,801,189 in business activity, a reduction of \$2,477,463 in labor income, and a loss of 80 jobs.

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

Economic Impact of Medicare Nursing Facility Payment Cutback Fiscal Year 2010

Kentucky Congressional District 1				
	Direct	Indirect	Induced	Total
Business Activity Impacts (\$)	3,357,006	417,557	1,026,626	4,801,189
Income Impacts (\$)	2,054,292	116,648	306,523	2,477,463
Employment Impacts (Jobs)	65	4	11	80

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Kentucky 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 Kentucky Congressional District 2 is a reduction of \$4,179,471 in business activity, a reduction of \$2,158,942 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 Kentucky Congressional District 2.

Economic Impact of Medicare Nursing Facility Payment Cutback Fiscal Year 2010

Kentucky Congressional District 2				
	Direct	Indirect	Induced	Total
Business Activity Impacts (\$)	2,821,688	412,310	945,473	4,179,471
Income Impacts (\$)	1,737,707	125,554	295,681	2,158,942
Employment Impacts (Jobs)	47	4	9	60

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Kentucky 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 Kentucky Congressional District 3 is a reduction of \$5,356,918 in business activity, a reduction of \$2,801,022 in labor income, and a loss of 70 jobs.

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

Economic Impact of Medicare Nursing Facility Payment Cutback Fiscal Year 2010

Kentucky Congressional District 3				
	Direct	Indirect	Induced	Total
Business Activity Impacts (\$)	3,637,328	605,792	1,113,798	5,356,918
Income Impacts (\$)	2,247,219	190,131	363,672	2,801,022
Employment Impacts (Jobs)	55	5	10	70

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Kentucky 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 Kentucky Congressional District 4 is a reduction of \$3,574,263 in business activity, a reduction of \$1,847,089 in labor income, and a loss of 53 jobs.

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

Economic Impact of Medicare Nursing Facility Payment Cutback Fiscal Year 2010

Kentucky Congressional District 4				
	Direct	Indirect	Induced	Total
Business Activity Impacts (\$)	2,412,525	369,988	791,750	3,574,263
Income Impacts (\$)	1,480,315	120,230	246,544	1,847,089
Employment Impacts (Jobs)	43	3	7	53

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Kentucky Congressional District 5

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 Kentucky Congressional District 5 is a reduction of \$3,434,971 in business activity, a reduction of \$1,764,988 in labor income, and a loss of 61 jobs.

The following schedule illustrates the direct, indirect, and induced impact of this cut in reimbursement on Kentucky Congressional District 5.

Economic Impact of Medicare Nursing Facility Payment Cutback Fiscal Year 2010

Kentucky Congressional District 5				
	Direct	Indirect	Induced	Total
Business Activity Impacts (\$)	2,383,983	278,991	771,997	3,434,971
Income Impacts (\$)	1,453,170	78,000	233,818	1,764,988
Employment Impacts (Jobs)	50	3	8	61

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Kentucky Congressional District 6

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 Kentucky Congressional District 6 is a reduction of \$3,071,979 in business activity, a reduction of \$1,571,045 in labor income, and a loss of 48 jobs.

The following schedule illustrates the direct, indirect, and induced impact of this cut in reimbursement on Kentucky Congressional District 6.

Economic Impact of Medicare Nursing Facility Payment Cutback Fiscal Year 2010

Kentucky Congressional District 6				
	Direct	Indirect	Induced	Total
Business Activity Impacts (\$)	2,035,181	316,058	720,740	3,071,979
Income Impacts (\$)	1,245,621	96,767	228,657	1,571,045
Employment Impacts (Jobs)	38	3	7	48

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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

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.

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