

Maine

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 Maine is a reduction of \$9,167,876 in business activity, a reduction of \$4,534,738 in labor income, and a loss of 155 jobs.

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

Economic Impact of Medicare Nursing Facility Payment Cutback Fiscal Year 2010

Maine				
	Direct	Indirect	Induced	Total
Business Activity Impacts (\$)	5,707,316	1,014,774	2,445,786	9,167,876
Income Impacts (\$)	3,433,909	301,303	799,526	4,534,738
Employment Impacts (Jobs)	122	9	24	155

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.

Maine 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 Maine Congressional District 1 is a reduction of \$4,685,541 in business activity, a reduction of \$2,335,578 in labor income, and a loss of 76 jobs.

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

Economic Impact of Medicare Nursing Facility Payment Cutback Fiscal Year 2010

Maine Congressional District 1				
	Direct	Indirect	Induced	Total
Business Activity Impacts (\$)	2,889,924	551,097	1,244,520	4,685,541
Income Impacts (\$)	1,749,356	173,675	412,547	2,335,578
Employment Impacts (Jobs)	59	5	12	76

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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.

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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.

Maine 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 Maine Congressional District 2 is a reduction of \$4,276,240 in business activity, a reduction of \$2,165,136 in labor income, and a loss of 76 jobs.

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

Economic Impact of Medicare Nursing Facility Payment Cutback Fiscal Year 2010

Maine Congressional District 2				
	Direct	Indirect	Induced	Total
Business Activity Impacts (\$)	2,817,393	423,948	1,034,899	4,276,240
Income Impacts (\$)	1,692,984	127,139	345,013	2,165,136
Employment Impacts (Jobs)	61	4	11	76

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.

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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.

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.