

Montana

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 Montana is a reduction of \$4,136,295 in business activity, a reduction of \$2,024,180 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 Montana.

Economic Impact of Medicare Nursing Facility Payment Cutback Fiscal Year 2010

Montana				
	Direct	Indirect	Induced	Total
Business Activity Impacts (\$)	2,670,611	458,715	1,006,969	4,136,295
Income Impacts (\$)	1,602,978	123,012	298,190	2,024,180
Employment Impacts (Jobs)	59	4	10	73

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

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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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.

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