

Rhode Island

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 Rhode Island is a reduction of \$6,192,122 in business activity, a reduction of \$3,178,697 in labor income, and a loss of 94 jobs.

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

Economic Impact of Medicare Nursing Facility Payment Cutback Fiscal Year 2010

Rhode Island				
	Direct	Indirect	Induced	Total
Business Activity Impacts (\$)	4,053,823	626,550	1,511,749	6,192,122
Income Impacts (\$)	2,479,960	191,539	507,198	3,178,697
Employment Impacts (Jobs)	76	5	13	94

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.

Rhode Island 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 Rhode Island Congressional District 1 is a reduction of \$3,531,172 in business activity, a reduction of \$1,828,044 in labor income, and a loss of 54 jobs.

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

Economic Impact of Medicare Nursing Facility Payment Cutback Fiscal Year 2010

Rhode Island Congressional District 1				
	Direct	Indirect	Induced	Total
Business Activity Impacts (\$)	2,350,432	344,633	836,107	3,531,172
Income Impacts (\$)	1,438,576	106,929	282,539	1,828,044
Employment Impacts (Jobs)	44	3	7	54

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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.

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.

Rhode Island 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 Rhode Island Congressional District 2 is a reduction of \$2,582,448 in business activity, a reduction of \$1,331,405 in labor income, and a loss of 39 jobs.

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

Economic Impact of Medicare Nursing Facility Payment Cutback Fiscal Year 2010

Rhode Island Congressional District 2				
	Direct	Indirect	Induced	Total
Business Activity Impacts (\$)	1,703,391	254,888	624,169	2,582,448
Income Impacts (\$)	1,043,255	77,793	210,357	1,331,405
Employment Impacts (Jobs)	31	2	6	39

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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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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.

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