

West Virginia

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 West Virginia is a reduction of \$9,702,232 in business activity, a reduction of \$4,814,503 in labor income, and a loss of 170 jobs.

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

Economic Impact of Medicare Nursing Facility Payment Cutback Fiscal Year 2010

West Virginia				
	Direct	Indirect	Induced	Total
Business Activity Impacts (\$)	6,365,450	1,025,948	2,310,834	9,702,232
Income Impacts (\$)	3,827,789	290,836	695,878	4,814,503
Employment Impacts (Jobs)	137	9	24	170

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.

West Virginia 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 West Virginia Congressional District 1 is a reduction of \$3,540,942 in business activity, a reduction of \$1,757,552 in labor income, and a loss of 64 jobs.

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

Economic Impact of Medicare Nursing Facility Payment Cutback Fiscal Year 2010

West Virginia Congressional District 1				
	Direct	Indirect	Induced	Total
Business Activity Impacts (\$)	2,364,398	357,063	819,481	3,540,942
Income Impacts (\$)	1,417,636	98,179	241,737	1,757,552
Employment Impacts (Jobs)	52	3	9	64

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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.

West Virginia 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 West Virginia Congressional District 2 is a reduction of \$3,237,963 in business activity, a reduction of \$1,650,458 in labor income, and a loss of 56 jobs.

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

Economic Impact of Medicare Nursing Facility Payment Cutback Fiscal Year 2010

West Virginia Congressional District 2				
	Direct	Indirect	Induced	Total
Business Activity Impacts (\$)	2,184,184	309,228	744,551	3,237,963
Income Impacts (\$)	1,322,312	92,443	235,703	1,650,458
Employment Impacts (Jobs)	45	3	8	56

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West Virginia 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 West Virginia Congressional District 3 is a reduction of \$2,562,276 in business activity, a reduction of \$1,323,989 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 West Virginia Congressional District 3.

Economic Impact of Medicare Nursing Facility Payment Cutback Fiscal Year 2010

West Virginia Congressional District 3				
	Direct	Indirect	Induced	Total
Business Activity Impacts (\$)	1,816,867	223,161	522,248	2,562,276
Income Impacts (\$)	1,088,585	66,202	169,202	1,323,989
Employment Impacts (Jobs)	40	2	6	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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