

United States

Medicare Cuts to Skilled Nursing Facility Care

The U.S. House of Representatives’ health care reform bill, *America’s Affordable Health Choices Act (H.R. 3200)*, includes provisions that would significantly cut Medicare payments for skilled nursing facility care. These provisions would:

- Reduce skilled nursing facility rates (SNF) rates by 3.3% as of October 1, 2009 by applying a “projection error” adjustment;
- Eliminate the 2.2% SNF market basket update – removing this cost of living adjustment for January 1, 2010 through September 30, 2010; and
- Apply a productivity adjustment estimated at 1% of the SNF rate beginning in fiscal year 2010.

The impact for the United States is as follows:

Medicare Cuts Over 10 Years
National
\$44.0 billion

Economic Impact – Year 1		
Reduction In Business Activity	Reduction In Labor Income	Jobs At Risk
\$4,968,353,812	\$2,157,032,938	59,345

Economic impact developed using IMPLAN model, 2007 data. Additional detail available upon request.