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American Health Care Association

Vermont

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 state of Vermont is as follows:

Medicare Cuts Over 10 Years	
National	Vermont
$44.0 billion	$95.0 million

Economic Impact – Year 1		
Reduction In Business Activity	Reduction In Labor Income	Jobs At Risk
$7,042,211	$3,557,909	111

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

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American Health Care Association

United States

Medicare Cuts to Skilled Nursing Facility Care

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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.

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