

April 1, 2010

## Help Prevent Cuts to Long Term Care Funding

Dear Colleague:

Please join us in writing to Budget Committee Chairman Spratt and Ranking Member Ryan to ask them to preserve Medicare and Medicaid funding for the long term care community as their Committee examines issues related to these important entitlement programs.

Skilled nursing facilities (SNFs) face increasing pressures due to struggling state Medicaid programs coupled with Medicare funding reductions of more than \$12 billion over ten years as of October 1, 2009. In fact, Medicaid fails to cover the cost of care for patients in nursing homes. In 2009, the shortfall was projected to be \$4.6 billion nationwide or \$14.17 per patient, per day. These combined Medicare-Medicaid funding cuts have had the effect of significantly reducing the resources available for providing skilled nursing care at a time when patients have more medically complex needs than ever before.

Any further reductions will hurt a growing economic sector, since long term care added 50,200 jobs in 2009 alone while the country's approximately 16,000 nursing facilities and 39,000 assisted living communities comprise 1.1 percent of our national Gross Domestic Product (GDP), or \$153.8 billion. Because workforce expenses represent 70 percent of a facility's total costs, any reductions in funding will result in workforce cutbacks which will not only severely compromise the ability of long term care to provide life-sustaining care services to frail, elderly and disabled patients and residents, but also will decrease the economic contributions of the sector.

Please join us in requesting that the Budget Committee continue to support the long term care community through reasonable annual inflation adjustments and fair reimbursement for unpaid Medicare co-payments as they consider issues related to entitlement programs in preparing the Fiscal Year (FY) 2011 Budget Resolution.

To sign this letter, please contact Carrie Fiarman in Rep. Berkley's office at [Carrie.Fiarman@mail.house.gov](mailto:Carrie.Fiarman@mail.house.gov) or x55965 or Aaron Sporck in Rep. Moore Capito's office at [Aaron.Sporck@mail.house.gov](mailto:Aaron.Sporck@mail.house.gov) or x52711.

Sincerely,

SHELLEY BERKLEY  
Member of Congress

SHELLEY MOORE CAPITO  
Member of Congress

April XX, 2010

The Honorable John Spratt  
Chairman  
House Budget Committee  
207 Cannon House Office Building  
Washington, D.C. 20515

The Honorable Paul Ryan  
Ranking Member  
House Budget Committee  
B-71 Cannon House Office Building  
Washington, D.C. 20515

Dear Chairman Spratt and Ranking Member Ryan:

We are writing to you concerning the Committee's Fiscal Year (FY) 2011 Budget Resolution and its potential impact on some of the nation's sickest and most vulnerable patients, those who rely on Medicare and Medicaid to receive care in skilled nursing facilities (SNFs).

Nearly 80 percent of the 1.5 million patients cared for each day by SNFs rely on Medicare or Medicaid for their care. Thus, we believe that providing adequate and stable funding is essential to ensure the highest quality of care and appropriate levels of staffing – even as we look for ways to promote maximum program efficiency.

As the Committee examines issues related to these important entitlement programs, we urge you to take into consideration the deep Medicare cuts imposed on the SNF community in 2009 and the increasing pressures SNFs face because of struggling state Medicaid programs. On October 1, 2009, the Medicare program reduced funding for SNF care by more than \$12 billion over ten years. At the same time, increasing numbers of state Medicaid programs are being forced to freeze or cut funding for nursing home care as states deal with the realities of the severe economic downturn, which worsens the already difficult Medicaid situation. Studies show that on a consistent basis, Medicaid fails to cover the cost of care for patients in nursing homes. In 2009, the shortfall was projected to be \$4.6 billion nationwide or \$14.17 per patient, per day.

These combined Medicare-Medicaid funding cuts have had the effect of significantly reducing the resources available for providing skilled nursing care at a time when patients have more medically complex needs than ever before. Staffing, which plays a key role, represents approximately 70 percent of all long term care operational costs. Therefore, it is imperative that federal health policy must be aligned with national employment objectives and quality of care measures, rather than working at cross-purposes by potentially undermining seniors' care and risking key front line staff jobs.

Therefore, we respectfully request that the Budget Committee take these important factors into account as you consider issues related to entitlement programs in preparing the FY 2011 Budget Resolution. We urge you to recognize the important role SNFs play in caring for elderly Americans and the degree to which SNFs have already been required to absorb deep cuts in entitlement funding.

Thank you in advance for your consideration of our request. We look forward to working with you on these and other important issues related to caring for our nation's senior citizens.

Sincerely,