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Stabenow Letter to CMS Spurs Momentum to Overturn Policy Changes Cutting Medicare Financed Nursing Facility Care

AHCA, Alliance Say New Stabenow, Wyden, Roberts Letters Highlight Flawed, Illogical Policy Change

Washington, DC -- The American Health Care Association (AHCA) and the Alliance for Quality Nursing Home Care today thanked Senator Debbie Stabenow (D-MI) for sending a new letter to Health and Human Services (HHS) Secretary Mike Leavitt warning that a proposed rule published last week by the Centers for Medicare and Medicaid Services (CMS) slashing nursing home funding by billions over five-years, "could have unfortunate and unintended results both for patients and for the Medicare program, including diminished care for seniors and higher costs for taxpayers."

According to the leaders of the nation's two leading long term care advocacy organizations, Sen. Stabenow's May 1 letter, following letters from Senators Ron Wyden (D-OR) and Pat Roberts (R-KS), is helping to generate bipartisan momentum to overturn the CMS initiative which would cut Medicare financed nursing facility care by \$770 million in 2009 or \$5 billion over five years.

"On behalf of seniors and taxpayers alike, we thank Senator Stabenow for pointing out in her new letter to Secretary Leavitt the flawed, illogical nature of this CMS policy proposal," stated **Bruce Yarwood, President and CEO of AHCA**. "Current policy both improves our ability to care for the higher acuity patient population envisioned and intended by federal policy, and which uses Medicare resources in the most efficient manner possible."

Alan Rosenbloom, President of the Alliance, stated, "The CMS rule will unquestionably place at risk our long-standing goals of increased efficiency and effectiveness – which benefits nursing home patients, our caregiver workforce, and taxpayers alike. With so much at stake in this policy debate, we thank Senators Stabenow, Wyden and Roberts for leading a growing bipartisan effort to help overturn this unsound regulatory-driven Medicare budget cut, and for helping generate the momentum necessary to do so."

The new letter from Senator Stabenow to HHS Sec. Leavitt also warns that, *"In proposing these cuts, CMS fails to recognize other changes in Medicare policy that have resulted in an increased number of high acuity patients receiving care in SNFs since the Resource Utilization Group (RUG) rates were revised in 2005 and coincided with a separate policy initiative to shift certain categories of Medicare patients who needed rehabilitation care to SNFs. Payment policy should support, not undercut, SNFs' ability to care for the growing numbers of high-acuity patients who need intensive rehabilitation."*

In moving forwards with these regulatory cuts, Yarwood and Rosenbloom argue, CMS fails to factor in important changes in Administration-initiated Medicare policies that, as intended, are successfully moving large numbers of high acuity patients into SNFs. These patients otherwise would have been cared for in higher-cost settings. These policies saved Medicare \$709 million in 2006 alone, according to Avalere Health, LLC.

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