



For Immediate Release
July 25, 2007

Contact: Ashley Prime
202/457-1110
aprime@qga.com

Alliance Decries Cuts to Medicare Benefits for Seniors in Nursing Homes in House Healthcare Bill

TV and Print Ad Campaign Reinforces Concerns

WASHINGTON, DC – The Alliance for Quality Nursing Home Care today decried the deep cuts to Medicare benefits for seniors in skilled nursing homes proposed in HR 3162, the so-called “CHAMP Act.” The bill freezes benefits for nursing care in skilled nursing facilities (“SNFs”) at current rates, which represents an annualized loss of \$10-12 per Medicare patient for each day of care. Given the rapidly escalating costs of providing care, the measure would have a significant and adverse effect on Medicare beneficiaries. It also would negatively affect caregivers and nursing home providers. The Alliance continued its intensive television and print advertising campaign expressing the organization’s concern about the cuts.

“These cuts absolutely would be harmful to Medicare beneficiaries, who would lose a portion of benefits to which they otherwise would be entitled, and would be disastrous for nursing homes. Nursing homes have dramatically improved quality in recent years. Those quality improvements were a direct result of stable Medicare funding. When funding is unstable, as it surely would be if the proposed cuts are enacted into law, quality undoubtedly will suffer,” said Alan Rosenbloom, President of the Alliance.

“Since nursing homes have the lowest overall operating margins among health care providers – less than 3% in 2006 – they can least afford cutbacks of this kind, yet the proposal imposes a disproportionate cut on nursing homes.” Rosenbloom continued. “When combined with ever-growing Medicaid payment shortfalls - - nursing homes lose 7 cents on every dollar of care they provide to Medicaid beneficiaries – and you have a recipe for disaster – for patients, for caregivers and for providers.”

“The cuts, as well as other provisions of the proposal, also are short-sighted. Skilled nursing facilities have saved the Medicare program billions of dollars by treating a growing share of post-acute patients who otherwise must receive care and services in more expensive settings. The proposed cuts would undermine the ability of SNFs to manage these higher acuity patients, slowing the trend and increasing Medicare costs in the long run.”

“It is unfortunate that the proposal chooses to fund children’s health care by cuts to benefits for seniors. America should not have to make such a choice,” he concluded.

The Alliance continues its intensive television and print advertising campaign. Details and creative are available [here](#). The ads urge people to contact their Member of Congress (mentioned by name) and ask him or her not to choose between children and seniors, but to protect care for both.

###

The Alliance for Quality Nursing Home Care (www.aqnhc.org) is a coalition of 16 of the nation’s largest skilled nursing providers who deliver care to hundreds of thousands of patients on a daily basis.