



For Immediate Release

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HCAM outlines three long term care principles for Deficit Reduction Committee
Michigan long term and post-acute care providers commend Reps. Camp and Upton on appointment to panel

LANSING, MI – The Health Care Association of Michigan (HCAM) today called on Congressmen Dave Camp and Fred Upton to stand against any additional cuts to skilled nursing facilities and the residents they care for as the Representatives begin their role on the newly-formed Joint Select Committee on Deficit Reduction.

“We are proud to have such a two distinguished members of our delegation on this critical committee. Reps. Camp and Upton have enormous roles to play in the financial viability of our country,” said David LaLumia, president and CEO of HCAM. “While we are confident they will dedicate themselves to finding bipartisan solutions to our budget, we must emphasize the serious impact any additional cuts to skilled nursing facilities would have to the access to care for Michigan’s seniors.”

In advance of the panel’s first meeting which must take place by September 16, HCAM outlined three principles the Committee should keep in mind when examining funding areas.

- 1. A vast majority of nursing facility residents rely on Medicaid or Medicare for their care.** With 78 percent of nursing facility residents relying on Medicaid or Medicare for their care, threatening to cut these programs means threatening to cut individuals’ access to care. Specifically, Medicaid, which serves vulnerable seniors and persons with disabilities, is already considerably underfunded, as the program fell \$5.6 billion short in nursing home care nationwide last year. Further cuts to these health care programs would dramatically impact those facilities that serve the frail, elderly and most vulnerable.
- 2. Nursing facilities have an impending responsibility to serve our nation’s growing senior population.** This year marks the first time Baby Boomers will turn 65. By 2050, the elderly population will nearly double, and a majority of these seniors will require long term care services at some point during their golden years. If our nation’s lawmakers continue to reduce funding to nursing facilities, the profession won’t be able build additional facilities or improve current ones that help prepare for this emerging demographic.

- 3. Long term and post-acute care providers are a critical force in our economic recovery.** While many other sectors are struggling to stay afloat, long term care facilities have actually created jobs. In Michigan, these facilities provide close to 140,000 jobs, create \$10.4 billion in economic activity, and generate \$1.2 billion in tax revenues. Cutting nursing facilities may mean halting the economic progress they bring to local communities.

“We appreciate the difficult decisions that lie ahead for Reps. Camp and Upton and all of the members of the Deficit Reduction Committee, but we remain hopeful that these leaders will find responsible solutions that do not undermine the important role nursing facilities play,” continued LaLumia. “HCAM wants to be a part of that solution and help find ways for the government to reduce federal spending while protecting the care we provide to Michigan’s elderly and disabled.”

The Centers for Medicare & Medicaid Services (CMS) recently announced a final rule, reducing Medicare skilled nursing facility (SNF) Prospective Payment System (PPS) payments in FY 2012 by \$3.87 billion, or 11.1 percent lower than payments for FY 2011. Michigan’s nursing facilities will suffer a cut in their annual Medicare payments between \$129 - \$140 million beginning Oct. 1 under the new rule. This translates into a loss of approximately \$55 - \$60 per Medicare day. These cuts could go higher, \$65 - \$70 per day, for those facilities providing intensive rehabilitation services.

The Joint Select Committee on Deficit Reduction was created as part of the Debt Increase Compromise bill passed earlier in the month. The committee is charged with coming up with recommendations to reduce the federal deficit by Nov. 23. If the committee fails to make recommendations, or if its proposals are not enacted, the government will automatically cut spending across the board, including a two percent cut to Medicare providers, many of whom are nursing homes.

HCAM and the Michigan Center for Assisted Living are statewide advocacy organizations for Michigan’s most vulnerable older residents and their providers of care. Members comprise for-profit, nonprofit and government providers. Together, they represent approximately 400 long-term care and senior service providers that care for elderly and disabled individuals. For additional information go to www.hcam.org.

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