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For Immediate Release  
October 7, 2019

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## **Nursing Facilities Cut in Recent Budget Action**

The Health Care Association of Michigan (HCAM) today announced Governor Whitmer's budget actions will include unnecessary and unwarranted cuts to skilled nursing facilities and the seniors in their care.

Included in the actions by the governor was a cut to the funding for Medicaid beneficiaries residing in Michigan's skilled nursing facilities. The Michigan Department of Health and Human Services issued a Medicaid policy bulletin on Monday, September 30 that would cut \$30 million in reimbursement to nursing facilities. Some facilities will see cuts of several hundreds of thousands of dollars. Facilities cannot absorb cuts of this magnitude, which will likely result in the loss of nurses and direct care workers. Additionally, the governor vetoed appropriations for improvements to nursing facility buildings in boilerplate section 1645 of Senate Bill 139, resulting in a cut of \$4.8 million. These reductions will have a significant impact on the amount of federal match dollars the state will receive – more than \$23 million.

“These two cuts will have an approximately \$35 million impact on skilled nursing and rehabilitation facilities,” said HCAM President/CEO Melissa Samuel. “The overwhelming majority of provider costs, approximately 75 percent, are allocated to wages and benefits for the front-line employees. Quality employees drive quality care for our residents. Medicaid rate cuts could have substantial workforce implications for providers already faced with significant workforce shortages. Cuts of this magnitude will simply make matters worse. Hours may be cut and, in some instances, individuals may be let go, and the care to residents may be negatively impacted.”

Samuel continued, “HCAM urges the legislature and the governor to work together to avoid funding decreases that could compromise care to one of Michigan's most vulnerable populations. Michigan's senior citizens deserve better. In the interests of Michigan's seniors and the health care workers who care for them, it is imperative that the Medicaid funding be restored.”

*HCAM is a statewide trade association representing proprietary, not for profit, county medical and hospital-based long-term skilled nursing and rehabilitation facilities.*

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