

HEALTH CARE REFORM DEBATE HAS HUGE IMPLICATIONS FOR SENIORS

When all the distracting misinformation about death panels and illegal immigration is swept aside, there remain genuine issues of concern that voters need to pay close attention to in the health care reform debate going on in Washington.

One of these critical issues is adequate long term care funding for our nation's seniors. Clearly we face great challenges in this area. An ever-growing population of elders, sometimes termed the "Silver Tsunami," will be relying on Medicare and Medicaid in coming years. According to the Census Bureau, 81.2 million people in the U.S. will be 65 or older in 2040. That's more than double the 65 and over population today.

The incredibly shortsighted solution to this issue now proposed in both House and Senate health care reform bills can be characterized essentially as "Let's just stop paying the bills!" Under the proposed House health care reform bill (HR 3200), for example, Medicare funding for skilled nursing and rehabilitative care would be slashed by \$32 billion over the next decade, which translates to \$166 million in cuts to Rhode Island's nursing homes. These cuts are being proposed without *any* evidence that today's payments are excessive, or that patients can continue to receive safe and thoughtful care in nursing homes subjected to these cuts.

Rhode Island's nursing homes are caring for an increasingly diverse patient base and providing a greater variety of acute care and rehabilitative care that cannot be delivered elsewhere. These are the very services our patients depend on in order to recuperate and return to their homes, one of the central goals of every facility. These massive proposed funding cuts would undermine our ability to effectively treat this more medically complex patient population and place at risk the quality care our patients require.

These Medicare funding cuts would be particularly devastating in Rhode Island. Eighty-five percent of the state's nursing home patients have their stays covered by either Medicaid or Medicare. The massive problems with our state's finances have led to severe funding cuts to the state's Medicaid program. Last year, Rhode Island's 86 skilled nursing centers were left gasping for air when the General Assembly cut some \$25 million from Medicaid nursing home funding. For this reason, stable and adequate federal Medicare funding is crucial. Yet the Medicare cuts now proposed in Washington would result in an additional \$7.8 million loss to nursing homes next year alone.

What's more, it's not just nursing home residents who will suffer. Seventy percent of nursing home revenues are spent on staffing. With fixed overhead and operating costs, nursing homes will have little choice but to cut staff positions. Layoffs will cut quality of care to patients, as well as hurting families who rely on caretaker jobs. In Rhode Island, the proposed Medicare cuts threaten 180 nursing industry jobs and more than \$11 million in lost local business activity.

These deep cuts are simply not sustainable in our already overstressed and underfunded long term system. Our most frail citizens should not have to suffer huge funding cuts to long term care to pay for health care reform. Families should not have to worry about accessibility to the quality care their loved ones need. It is essential that Congress recalibrate its thinking on health care reform and scale back these massive Medicare cuts so that funding for nursing homes remains adequate to protect quality care for Rhode Island's seniors and vital caregiver jobs.