



October 7, 2011

An Open Letter to the Members of the Joint Select Committee on Deficit Reduction

As front-line nursing staff providing nearly 80 percent of direct patient care in America's nursing homes, we at the Coalition to Protect Senior Care (CPSC) respectfully write the Joint Select Committee on Deficit Reduction to convey that your most vulnerable constituents and the workforce who cares for them are facing an increasingly dangerous period of instability from the multi-year accumulation of Medicare and Medicaid cuts.

With four of every five nursing home patients' care funded by either Medicare and Medicaid, and because a full seventy percent of our facility costs are directly related to staffing, the front line care giving environment has reached a point where additional cuts can no longer be "shifted" or "absorbed" without serious consequences to seniors' care quality.

It is particularly worrisome to those of us who spend our time dealing directly with our patients that some in Washington believe that Medicaid and Medicare cuts "only to providers" is somehow different than funding reductions to beneficiaries themselves. This is a very dangerous misconception that requires rebuttal. As a former Medicare trustee warned in the 9/20 *New York Times*, "You have to be vigilant in cutting Medicare payments to health care providers because there is no bright line between cuts that affect beneficiaries and those that affect only providers."

Making matters significantly more challenging is that so many states have made cuts in Medicaid spending over the last two years -- and these cuts have included reductions in reimbursements to nursing homes. With Medicaid as the largest single payer for nursing home care, we simply want to emphasize the strong inter-relationship to Medicare and Medicaid funding when it comes to delivering patient care. On a purely factual basis, the difference between the actual cost of providing quality front line care and what Medicaid actually reimburses the facilities we work in averages \$17per patient day.

Obviously, the possibility of still more Medicare and Medicaid cuts from the Joint Select Committee is highly problematic from a staffing stability standpoint, and, ultimately to our ability to ensure optimal care continues every hour of every day. Funding cuts have consequences -- and facilities' front line care capacity is highly sensitive to just one or two key staff getting laid off, or leaving because of benefit cuts. In rural areas especially, where greater distance between facilities is a major issue for caregivers due to their own transportation needs and costs, we are beginning to see problems. This is the bottom line in our profession, and we offer this perspective on a constructive, educational basis.

In the final analysis, the accumulation of Medicare and Medicaid payment cuts already

undermining many facilities' frontline care capacity makes it difficult for many to continue the level of staffing and services they previously provided. With an increasing number of facilities on the precipice of remaining viable, we please ask that you consider the perilous position of our elderly patients and workers as your deliberations proceed.

Sincerely,

The Coalition to Protect Senior Care

The Coalition to Protect Senior Care includes the American Association for Long Term Care Nursing (AALTCN) • American College of Health Care Administrators (ACHCA) • American Health Quality Association (AHQA) • American Occupational Therapy Association (AOTA) • American Physical Therapy Association (APTA) • American Society of Health Care Administration Executives (ASHCAE) • Coalition of Women in Long Term Care (COWL) • National Association of Health Care Assistants (NAHCA) • National Association for the Support of Long Term Care (NASL) • National Rural Health Association • Senior Clinician Group.