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**Massive Federal Medicare Cuts Enacted Will Hurt Nursing Home Residents, Cost Jobs**  
*Florida Health Care Association Urges Florida Congressional Delegation to Help Ensure  
Nursing Home Residents' Care Needs Remain Key Priority of Health Care Reform*

**Tallahassee, FL** – The Executive Director of the Florida Health Care Association (FHCA) warned that new federal Medicare cuts of up to \$16 billion resulting from Friday's announcement by the Obama Administration that it has put into effect a new Medicare regulation will significantly endanger Florida nursing home residents' care and jeopardize the state's already fragile economy and caregiver jobs base.

"We intend to make certain the interests of nursing home residents remain a priority for lawmakers as they pursue health care reform in Washington, and will make sure they understand that the Medicare funding cuts on top of the looming Medicaid funding crisis plaguing Florida's seniors and providers after stimulus dollars are expended is unsustainable," Emmett Reed, Executive Director of FHCA said.

In the year 2010 alone, Florida's Medicare cuts amount to \$78.4 million – the 2<sup>nd</sup> highest level of cuts in the nation. The estimated economic impact on Florida in the year ahead, according to an analysis from the American Health Care Association (AHCA) and the Alliance for Quality Nursing Home Care, will be a reduction of \$132.2 million in business activity, a reduction of \$65.9 million in labor income, and a loss of 1,960 jobs.

Continued Reed: "Having now just suffered a massive Medicare funding cut of up to \$16 billion – distinct and separate from the reductions our sector has willingly and cooperatively agreed to shoulder as part of achieving broader reform – we are alarmed the sheer size of the cumulative cuts we ultimately suffer will be especially damaging to seniors in states like Florida, where our Medicaid program is already underfunded\*. Medicare and Medicaid funding are inextricably linked, and the combination of cuts to both programs squeezes our local facilities in a manner harmful to Medicare beneficiaries' care needs, detrimental to our state's local economy, and injurious to our caregiver jobs base."

Reed noted that Florida nursing homes are seeing an increasingly diverse patient base, and providing a greater variety of acute care, rehabilitative and convalescent services that cannot be delivered elsewhere – care services which are now in jeopardy due to the sheer size and scope of the Medicare funding cuts. These massive funding cuts, Reed said, will undermine facilities' ability to effectively treat this more medically complex patient population, and also put the jobs of the direct care workforce they depend upon in substantial danger.

"Achieving a sweeping health care reform bill we can all be proud of, and which will improve the health of every Florida resident is a necessity, not an option," Reed continued. Yet, protecting vulnerable seniors in the process must always remain a key priority from which we must not deviate."

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*Representing the Florida Long Term Care Community*

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During the upcoming August recess, Reed said, the long-term care community will ask federal lawmakers to keep the interests of nursing home residents and those who care for them foremost in their minds. “We intend to explain in a tangible, informative manner why it is essential for Congress, upon its return to Washington in September, to recalibrate its thinking on health care reform and scale back these enormous Medicare cuts.”

*\*An Eljay, LLC analysis of the nation’s Medicaid program released in October by the American Health Care Association (AHCA) projects that Medicaid underfunded the actual cost of providing quality long term care in 2008 by \$188.5 million annually in Florida, and that Florida seniors rank 10<sup>th</sup> in terms of cumulative underfunding of nursing facility care.*

**ABOUT THE FLORIDA HEALTH CARE ASSOCIATION**

The Florida Health Care Association (FHCA) is a federation which serves nearly 1,000 members and represents over 500 long term care facilities that provide skilled nursing care, short-term rehab, assisted living and other services to the frail elderly and individuals with disabilities in Florida. FHCA was founded on the premise that its members have a moral obligation to the residents they serve, and since 1954 the Association has worked diligently to improve quality of care and quality of life for the state’s growing elder care population. For more information about the Florida Health Care Association, visit [www.fhca.org](http://www.fhca.org).

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