

Washington, DC Update

AHCA/NCAL Advocacy Goals

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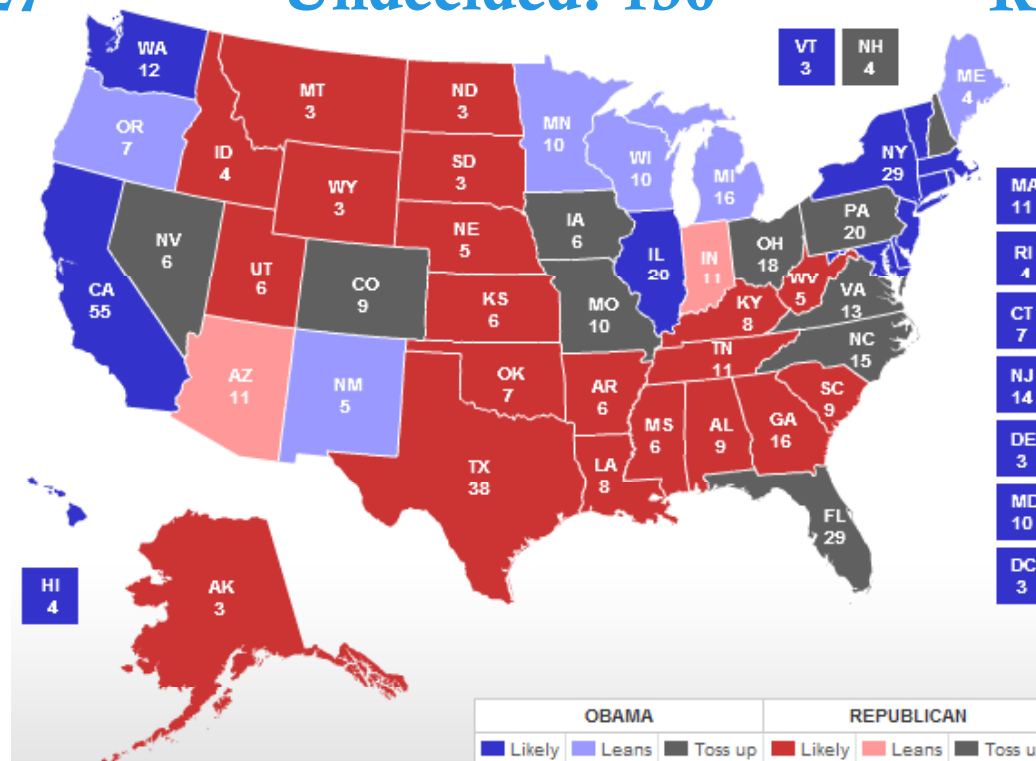


Battle for the White House

Obama: 227

Undecided: 130

Republican: 181



Battle for the White House: Undecided States

- ✓ Colorado – 9
- ✓ Florida – 29
- ✓ Iowa – 6
- ✓ Missouri – 10
- ✓ Nevada – 6
- ✓ New Hampshire – 4
- ✓ North Carolina – 15
- ✓ Ohio – 18
- ✓ Pennsylvania – 20
- ✓ Virginia – 13

Senate Outlook

Current Status:

- 53 Democrats
- 47 Republicans
- 33 seats up in this election (23 Democrats/10 Republicans)
- 19 of these seats are solid for current party holder
- 14 seats are toss ups

Toss Ups Seats in the Senate

Democrats:

Nelson (FL)

Stabenow (MI)

Brown (OH)

Akaka* (HI)

McCaskill (MO)

Tester (MT)

Bingaman* (NM)

Conrad* (ND)

Webb * (VA)

Kohl * (WI)

Nelson * (NE)

Republicans:

Snowe* (ME)

Brown (MA)

Heller (NV)

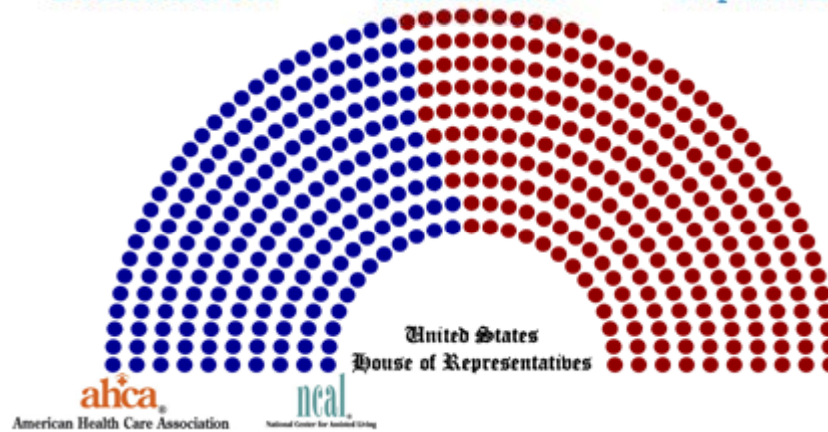
* Retiring Senator

Battle for the House

Democrats: 172

Undecided: 49

Republicans: 214



What happened last year

- On July 29, CMS issued a rule reducing Medicare payments by 11.1 percent.
- This rule cost providers \$3.87 billion.
- Effective October 1

What Happened Last Year:

- Super Committee – Failed to Act
- Sequestration
 - 2% across-the-board to Medicare providers
≈ -\$670 million January 2013
 - No Medicaid cuts

Conference Committee Action on Payroll Tax Cut and Doc Fix

- Extends payroll tax cut and physician fee schedule until 12/31/12
- Therapy cap exceptions process continues until 12/31/12
- SNFs are a pay-for through a reduction of bad debt coverage
 - Dual eligibles reduced over three years
 - 2013 at 88%
 - 2014 at 76%
 - 2015 at 65%
 - Non-duals will be reduced this year from 70% to 65%

President's Budget

Challenges

Reduces Medicare bad debt payments

- **Lowers rate to 25% for all eligible providers over 3 years, starting in 2013**
- **Expected to save \$36 billion over 10 years**

Blended FMAP rate formula

- **State Medicaid expenditures generally matched by Federal Govt using “Federal Medical Assistance Percentage” (FMAP)**
- **Applies single matching rate to Medicaid and CHIP starting in '17**

Lowers Medicaid provider tax rate

- **Phases down provider tax threshold from current level of 6% in '14 to**
 - **4.5 % in '15**
 - **4% in '16**
 - **3.5% in '17 and beyond**

President's Budget

Opportunities

Post acute care payment reform

- **Realign payments with costs through adjustments to payment rate updates for certain post-acute care providers**

AHCA's hospital readmission proposal

- **Penalty for hospital readmissions**
- **Reduces SNF payments by up to 3% starting in 2016 for facilities with high rates**
- **Expected to save \$460 million by 2012**

House Budget

- Repealing the Patient Protection and Affordable Care Act
- Converting the federal share of Medicaid spending into a block grant proposal that would be indexed for inflation and population growth, providing a lump sum of funds and “more flexibility” to the states to determine where to spend Medicaid dollars
- Creating a Medicare premium support program that would change the program for anyone who is currently under 55 years of age. This would be a risk-adjusted plan to include support for low-income seniors and a reduced subsidy for higher-income seniors
- Capping non-economic damages in medical liability lawsuits

Reducing Hospital Readmissions

- 1 in 5 SNF Medicare patients goes back to hospital within 30 days
- After establishing baseline for SNF 30-day readmission rate and costs associated, HHS Sec. sets target readmissions goal
- Achieve \$2 billion in savings 2014 – 2021, share benefits
- If not achieved, then market basket updates reduced to make for shortfall in Medicare savings

Observation Stays

Representatives Joseph Courtney (D-CT) and Tom Latham (R-IA) and Senators John Kerry (D-MA) and Olympia Snowe (R-ME) introduced the *Improving Access to Medicare Coverage Act of 2011 (H.R. 1543/S. 818)*

Senate Key Committee

Senate Finance

Majority

Max Baucus, Chair (MT)
Jay Rockefeller (WV)
Kent Conrad (ND) (retiring)
Jeff Bingaman (NM) (retiring)
John Kerry (MA)
Ron Wyden (OR)
Chuck Schumer (NY)
Debbie Stabenow (MI)
Maria Cantwell (WA)
Bill Nelson (FL)
Bob Menendez (NJ)
Tom Carper (DE)
Ben Cardin (MD)

Minority

Orrin Hatch, Ranking Member (UT)
Chuck Grassley (IA)
Olympia Snowe (ME) (retiring)
Jon Kyl (AZ) (retiring)
Mike Crapo (ID)
Pat Roberts (KS)
Mike Enzi (WY)
John Cornyn (TX)
Tom Coburn (OK)
John Thune (SD)
Richard Burr (NC)



House Key Committees

Energy & Commerce

Subcommittee on Health Majority

- Joe Pitts, Chair (PA)
- Michael Burgess (TX)
- Ed Whitfield (KY)
- John Shimkus (IL)
- Mike Rogers (MI)
- Sue Myrick (NC)
- Tim Murphy (PA)
- Marsha Blackburn (TN)
- Phil Gingrey (GA)
- Bob Latta (OH)
- Cathy McMorris Rodgers (WA)
- **Leonard Lance (NJ)**
- Bill Cassidy (LA)
- Brett Guthrie (KY)
- Joe Barton (TX)
- Fred Upton (MI)

Minority

- **Frank Pallone, Jr., Ranking (NJ)**
- John D. Dingell (MI)
- Edolphus Towns (NY)
- Eliot L. Engel (NY)
- Lois Capps (CA)
- Jan Schakowsky (IL)
- Charles A. Gonzalez (TX) (retiring)
- Tammy Baldwin (WI) (running for Senate)
- Mike Ross (AR) (retiring)
- Jim Matheson (UT)
- Henry A. Waxman (CA)

Ways & Means

Subcommittee on Health Majority

- Wally Herger, Chair (CA)
- Sam Johnson (TX)
- Paul Ryan (WI)
- Devin Nunes (CA)
- Dave Reichert (WA)
- Peter Roskam (IL)
- Jim Gerlach (PA)
- Tom Price (GA)
- Vern Buchanan (FL)

Minority

- Pete Stark, Ranking (CA)
- Mike Thompson (CA)
- Ron Kind (WI)
- Earl Blumenauer (OR)
- **Bill Pascrell, Jr. (NJ)**

New Jersey Senators

- Frank Lautenberg (D)



- Bob Menendez (D)



New Jersey House Members

- Rob Andrews (D-1)
- Frank LoBiondo (R-2)
- Jon Runyan (R-3)
- Chris Smith (R-4)
- Scott Garrett (R-5)
- Frank Pallone (D-6)
- Leonard Lance (R-7)
- Bill Pascrell (D-8)
- Steve Rothman (D-9)
- Vacant (10)
- Rodney Frelinghuysen (R-11)
- Rush Holt (D-12)
- Albio Sires (D-13)

MedPAC Recommendations

MedPAC's Recommendations to Congress:

- The Congress should eliminate the market basket update and direct the Secretary to revise the prospective payment system for skilled nursing facilities in 2013. Rebasing should begin in 2014, with an initial reduction of 4 percent, and subsequent reductions over an appropriate transition period until Medicare's payments are better aligned with providers' costs.
- The Congress should direct the Secretary to reduce payments to skilled nursing facilities with relatively high risk-adjusted rehospitalization rates for their Medicare- covered skilled nursing facility stays.

Margins: Medpac's View

2009 Medicare Margin

Setting	Actual Medicare Margin
Hospital	-5.20%
Long Term Acute Care Hospitals	5.70%
IRF	8.40%
Home Health	17.70%
SNF	18.10%

How do we fix this?

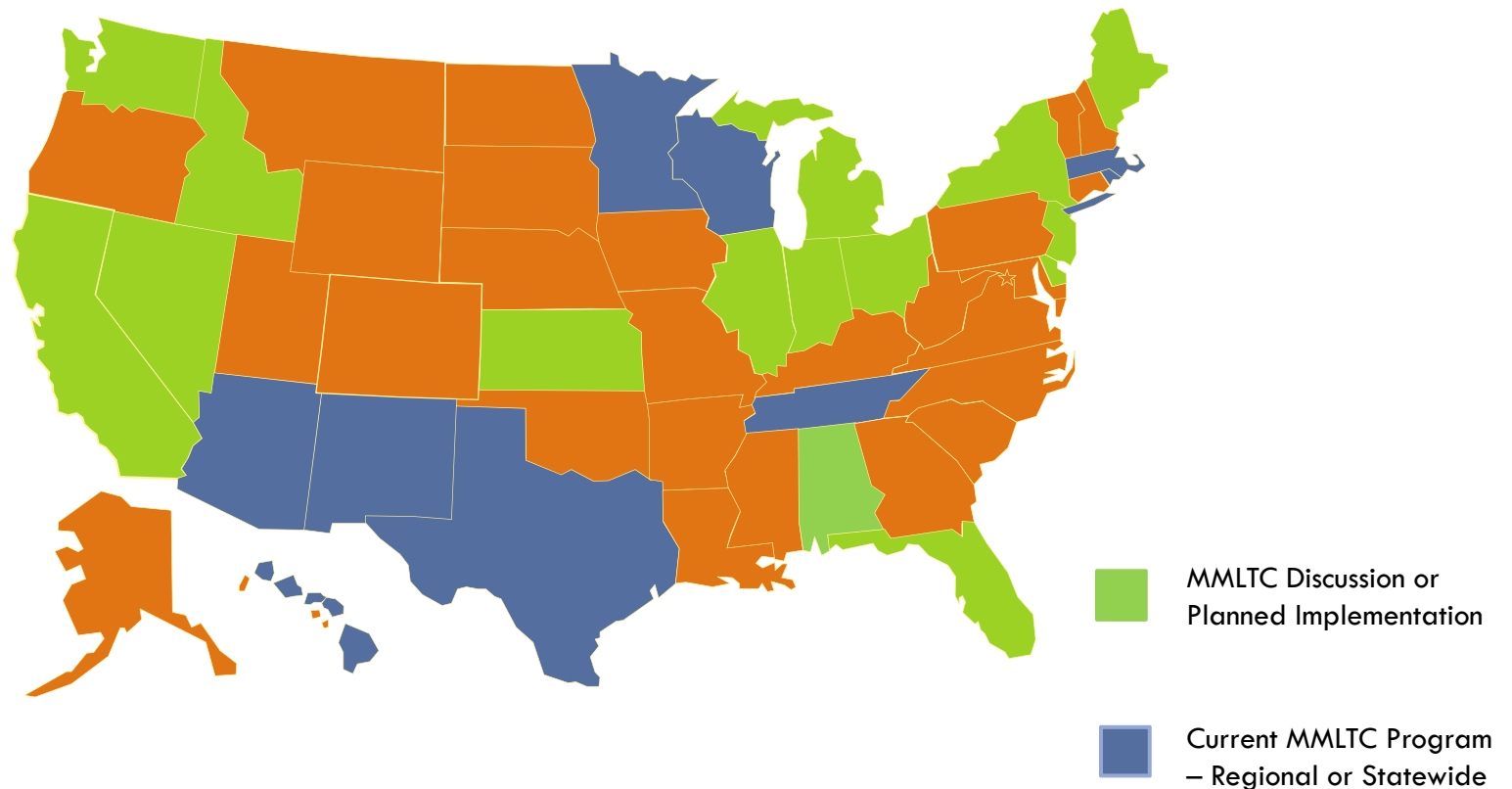
- Update margin analysis
- Push the Affordable Care Act recommendations
- Continue discussion directly with CMS and MedPAC



CMS Update

- NCAL will continue to play a leadership role in opposing Centers for Medicare & Medicaid Services (CMS) proposed rules that could disqualify most assisted living communities from the Medicaid 1915(c) waiver program. The proposed rules seek to define home- and community-based settings (HCBS) under Medicaid waivers. Definitions in the proposed rules would disqualify assisted living communities located on or near institutional facilities as well as facilities targeted toward specific disabilities or diagnoses, such as those providing care for individuals with Alzheimer's.

By 2014, Approximately 23 States Likely will be Operating MMLTC Programs



Source: Cheek, M., et. al., On the Verge: The Transformation of Long-Term Services and Supports. AARP Public Policy Institute (February 2012); Personal Interviews with AHCA/NCAL State Executives

AHCA Quality Initiatives

1. **Reduce Hospital Readmissions**

- By March 2015, reduce the number of hospital readmissions within 30 days during a SNF stay by 15%

2. **Increase Staff Stability**

- By March 2015, reduce turnover among clinical staff (RN, LVN, CNA) by 15%

3. **Reduce the Off-Label Use of Antipsychotics**

- By December 31, 2012 reduce the off-label use of antipsychotics by 15%

4. **Increase Resident Satisfaction**

- By March 2015, increase the number of customers who would recommend the facility to others up to 90%.

Get to Know Your Legislators

- Building personal relationships with legislators is key
- Meetings with legislators mutually beneficial:
 - You are the expert on long term care issues
 - As a constituent, you have ultimate influence over a legislator- you vote!
 - Legislators weigh how every issue "plays back at home"



Tools for Involvement

- Facility tours and Advocacy Centers
- In-district visits
- AHCA/NCAL PAC fundraisers
- AHCA/NCAL Advocates
- Fly-Ins to Washington, DC

Facility Tours for Elected Officials

- Critical role in AHCA/NCAL's educational and legislative efforts.
- Enable policy makers to see firsthand issues that affect our industry and how their constituents are impacted by decisions made in Washington, the state house, or city hall.
- One of our profession's **best** grassroots lobbying tools.



State/District Work Periods

2012 Congressional Calendar

House

April 2 – 13

April 30 – May 4

May 21 – 28

June 11 -15

Aug 6 – Sept 7

Senate

April 2 - 13

April 30 –May 4

May 28 – June 1

July 2 – 6

Aug 6 – Sept 7

Republican National Convention: Aug 27 – 30, Tampa, FL

Democratic National Convention: Sept 3 – 6, Charlotte, NC

AHCA/NCAL PAC

- Past year was HUGE success
 - 179 Total PAC events for Candidates
 - 102 in-district events
 - 77 DC based events



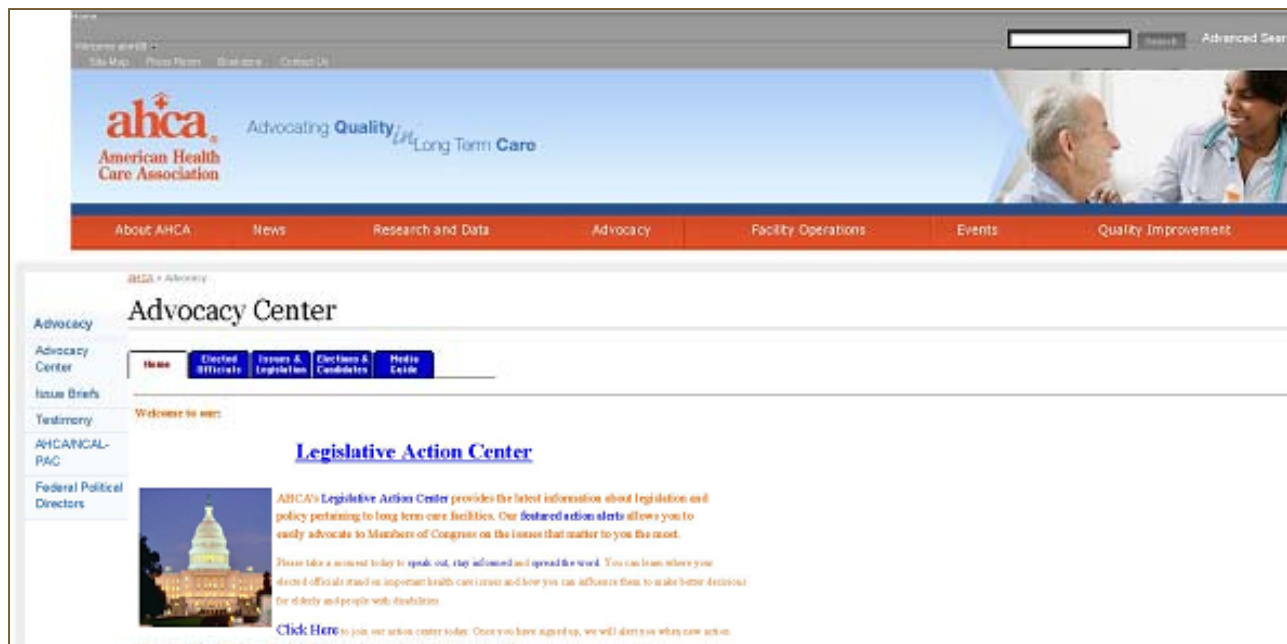
AHCA/NCAL PAC

- On target to be \$2+ million cycle PAC



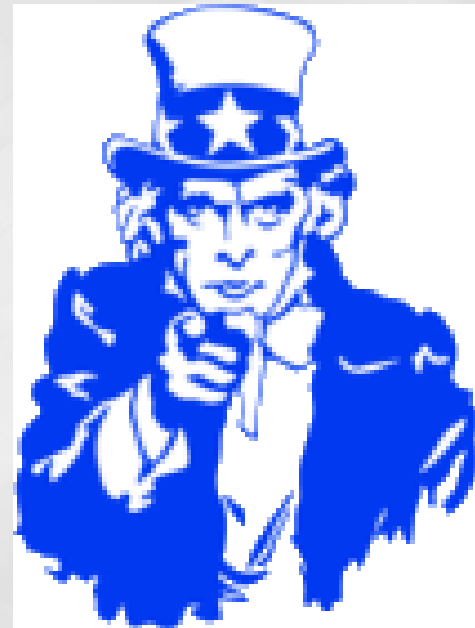
How to Sign Up for the Mailing List

Select link located on AHCA/NCAL Advocacy Center Page: www.ahca.org



Advancing AHCA/NCAL Goals with Members of Congress

- Critical Element
- 200,000 + letters sent to Members of Congress
- More than 100 in district meetings
- More than 100 facility tours
- We STILL need YOU...



Congressional Briefing



- **July 9 – 10, 2012**

“Hyatt Regency Washington on Capitol Hill”

- Attend briefings and gain understanding of Congress and AHCA/NCAL’s goals
- Hear insights from Members of Congress, Administration officials, and Washington experts
- Meet with elected officials and policy makers
 - Build relationships with Members of Congress
 - Shape public policy
 - Network with peers

Our Commitment to You

Support

Effectiveness

Advocacy

Resources

Relationships

Access



Advancing AHCA/NCAL Goals with Members of Congress

Thank You!
Questions?

