



Congress of the United States
House of Representatives
Washington, DC 20515

June 24, 2011

Administrator Donald Berwick
Centers for Medicare & Medicaid Services
Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Dr. Berwick:

We are writing to express our concern over deep Medicare payment cuts proposed by the Centers for Medicare and Medicaid Services (CMS) for skilled nursing facilities (SNFs). The cuts, which would reduce Medicare reimbursement for SNFs immediately by 12.8 percent, are included as one option that the agency is considering as part of its Fiscal Year 2012 Medicare payment policy for SNFs.

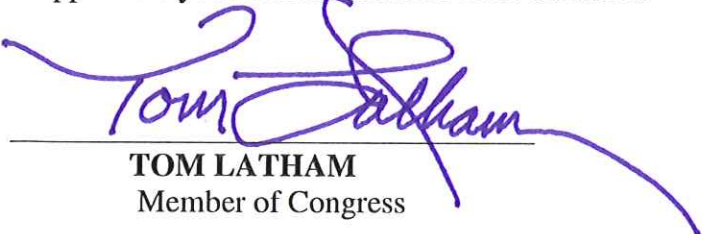
Skilled nursing facilities provide critical health care services for our nation's senior citizens. Over 1.7 million Medicare beneficiaries receive long-term and post-acute care services each year in nursing homes. CMS has a responsibility to ensure that Medicare payment policies for these facilities are supported by accurate data and implemented fairly in order to protect these vulnerable Medicare patients.

It is our understanding that the option for a 12.8 percent payment cut was put forward by CMS in order to account for a potential error the agency believes may have occurred when it implemented changes to the Medicare payment system for SNFs last year. However, CMS has based this option on data obtained from only one fiscal quarter, which we believe is unprecedented. Given the limited timeframe, we are concerned that the agency's proposed option is not based upon accurate data.

Financial stability is critical to ensuring sustainable, quality long-term care for Medicare beneficiaries in nursing facilities. The men and women who work in these facilities, approximately 3.1 million Americans, are responsible for serving some of the frailest members of our society. We must ensure that the services they provide to Medicare beneficiaries are preserved.

On behalf of our constituents who receive care in SNFs, we request the agency take a more measured approach and delay any proposed cuts pending a review of data from a full year. If, after reviewing additional data, CMS ultimately determines that comprehensive information supports the need to adjust payments to SNFs, then it should follow its common practice of implementing the reduction over a period of two or three years in order to reduce the potential impact on nursing facility services.

We appreciate your consideration of these concerns.



TOM LATHAM
Member of Congress

RICHARD E. NEAL
Member of Congress

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