



FOR IMMEDIATE RELEASE:
July 31, 2007

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CENTER FOR MEDICARE ADVOCACY SUPPORTS ONE-YEAR FREEZE OF MEDICARE RATES FOR SKILLED NURSING FACILITIES

Implementing the recommendation of the non-partisan Medicare Payment Advisory Commission (MedPAC), the Children's Health and Medicare Protection Act of 2007, H.R. 3162, eliminates the update to Medicare payment rates for skilled nursing facilities (SNFs) for fiscal year 2008. The Center for Medicare Advocacy supports this freeze, which will not jeopardize resident care.

“Skilled nursing facilities have made enormous returns on Medicare reimbursement and, according to MedPAC, would continue to receive more than sufficient reimbursement from Medicare, even if current rates were frozen for a year,” said Toby S. Edelman, Senior Policy Attorney with the Center's Washington, DC office. “Both MedPAC and the Government Accountability Office have repeatedly documented the substantial profits that Medicare brings SNFs, especially chain-owned facilities.”

Moreover, the nursing home industry's argument that Medicare rates must be kept high in order to compensate for allegedly low Medicaid rates is invalid. Using Medicare payments to supplement Medicaid rates defrauds the Medicare program and is illegal.

In 2000, the nation's largest nursing home chain was required to repay the federal government \$175 million in civil and criminal penalties when it falsely and fraudulently reported to the federal government that nurses were providing care to Medicare beneficiaries when they were not. In addition to repaying \$175 million in the largest nursing home settlement in the United States at that time, the corporation pleaded guilty to mail fraud and false statements and was required to divest 10 facilities. ([See U.S. Department of Justice February 3, 2000 press release.](#))