



American Health Care Association

1201 L Street, NW, Washington, DC 20005-4014
 Main Telephone: 202-842-4444
 Main Fax: 202-842-3860 2nd Main Fax: 202-289-4253
 Writer's Telephone: 202-898-2858
 Writer's E-Mail: byarwood@ahca.org
 www.ahca.org

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November 20, 2003

The Honorable William Thomas
 2208 Rayburn House Office Building
 Washington DC 20515

Dear Congressman Thomas: *BTU*

On behalf of the 1.5 million frail, elderly and disabled Americans and the 2 million long term health care professionals of the American Health Care Association (AHCA) who care for them, I am writing to offer our support for the passage of the Medicare prescription drug bill. This bill makes a number of changes that positively impact seniors in long term care facilities.

First, federalizing the administration of the drug benefit for those who are eligible for Medicare and Medicaid will ultimately improve quality of care for seniors. Currently, seniors face a patchwork of services from separate programs. Also, the financial relief to the states this provision provides will help as states struggle with the highest cost to their Medicaid programs—prescriptions drug costs.

Second, the bill extends the moratorium on the Part B outpatient therapy cap for another year. The therapy cap policy would threaten patients by denying Medicare beneficiaries who have suffered strokes, broken hips, and other injuries, the physical, occupational and speech-language therapy they need to fully recover their health. The nation's oldest and most vulnerable Medicare beneficiaries are most impacted by the cap, as they are most likely to require more than \$1,590 in therapies each year.

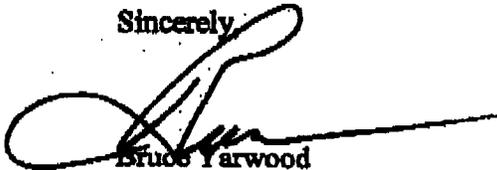
Third, we commend the common-sense regulatory reforms in the bill. It takes an average of nearly two years for the typical appeal of a nursing home inspection finding to make its way through the HHS appeals board. This bill will ensure that appeals are decided in a timely manner and penalties that could impact patient care are adjudicated timely.

Fourth, AHCA has long supported background checks to screen prospective employees in health care settings and protect vulnerable patients. We understand the bill contains a new provision to test the concept of a federal background check. This new requirement on background checks will allow us to implement on a limited basis to work out any problems.

And finally, the Health Savings Account (HSA) provision recognizes the long term care planning needs that aging Americans now face. Its provision for allowing inclusion of "qualified" long term care expenses and premium costs for long term care insurance is an important step in providing the encouragement and support that individuals need to take increased personal responsibility for their own long term care needs. While the long term care financial assistance provided through the HSA would most likely be modest, it is in keeping with key principles AHCA has adopted for reforming our nation's long term care financing system. Those principles embrace a public/private, insurance-based approach to financing the long term care needs of our rapidly aging nation. It is our hope that Congress will continue to build upon this incentive and pass more comprehensive long term care financing legislation.

We certainly appreciate your efforts on behalf of the elderly population we serve.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Yarwood", with a long horizontal flourish extending to the right.

Bruce Yarwood
Legislative Counsel

CC: Jim Gomez
Mark Woolpert