

The Honorable Janet Napolitano, Chair  
Platform Committee  
The Democratic National Committee  
430 South Capitol Street SE  
Washington, DC 20003  
platform@dnc.org

Dear Governor Napolitano,

The Coalition for Senior Healthcare Reform (CSHR) is made up of nursing home owners and operators and their partners who want to improve existing nursing facilities, replace outdated ones and build new desperately-needed nursing homes for our aging population.

By 2030, the number of Americans aged 65 and older will more than double to 71 million older Americans, comprising roughly 20 percent of the U.S. population. In some states, fully a quarter of the population will be aged 65 and older (Source: State of Aging and Health in America 2007 Report, HHS). According to the National Center for Health Statistics by 2050 the life expectancy for Americans is expected to jump from 74 years to 79.7 years for men and from 74 years to 85.6 years for women.

An enhanced focus on promoting and preserving the health of older adults is essential if we are to effectively address the health and economic challenges of an aging society.

The cost of providing health care for an older American is three to five times greater than the cost for someone younger than 65. By 2030, the nation's health care spending is projected to increase by 25% due to demographic shifts unless improvements are made to preserve the health of aging Americans. Along with our colleagues in the American Health Care Association and others, we seek the support of our elected officials in ensuring the seniors have access to healthcare and appropriate living environments in facilities that are both safe and dignified.

In contemplating improvements to the system whereby we ensure the health, safety and well-being of older Americans we must keep in mind that healthcare access is more than insurance coverage or payment policies; there must be facilities to provide care.

As this nation ages, we will need more long-term care facilities. While the industry and its partners have made great strides in improving the quality and efficiency of care, the government must do its part to ensure that there is adequate access to capital for the construction, renovation and improvement of long-term care facilities.

An important tool for capital access is the Federal Housing Administration's Section 232 mortgage insurance program. This program has facilitated the development of thousands of facilities, but while the product itself has demonstrated its effectiveness, the management of it has been uneven and at times even detrimental to the purpose it was designed to serve.

If FHA and the federal government in general are committed to supporting capital access for long-term care facilities, we must do more to make Section 232 effective and available. The first steps have been taken, including an effort to move Section 232 from the Office of Multifamily Housing to the Office of Insured Health Care Facilities. This move will put the program under the authority of an office with greater expertise and has been a goal of members of this organization before we formed. More can and should be done to support capital access for long-term care facilities. As such, we ask that the platform committee consider the following items:

1. Transfer full programmatic authority for the Section 232 mortgage insurance program from the Federal Housing Administration's Office of Multifamily Housing to FHA's Office of Insured Health Care Facilities;
2. Create the position of Deputy Assistant Secretary for Healthcare Finance within the Federal Housing Administration;
3. Eliminate Real Estate Assessment Center requirements for Section 232 mortgage insurance, making it consistent with FHA requirements for Section 242 mortgage insurance for hospitals; and
4. Keep long-term care finance affordable by limiting increases in insurance premium increases for Section 232.

We believe that these changes would dramatically increase applications under Section 232 and subsequently increase the number and quality of long-term care facilities available to America's seniors. I appreciate your attention to this matter and I look forward to working with you to improve the quality of long-term care available to our seniors.

Sincerely,

Ira Smedra  
Chairman