

## Funding problem ails Texas nursing homes

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AUSTIN — Cornelia Klyn, four years shy of 100, was expected to live just a year when she moved into a San Antonio area nursing home a decade ago. But she kept on going — and now her money is long gone.

Her costs, along with most nursing home residents, are paid by Medicaid now. But the Texas rate for nursing homes, \$113 a day, has not kept up with rising costs, and is the second lowest in the nation.

Nursing home owners say they cannot survive, and 60 have closed their doors in the past three years.

State health and human services officials agree that the industry is suffering and say it would take \$368 million over the next two years to ensure they can take care of the state's aging population, which is living longer every year.

"The nursing home rate that we have in Texas does not, and has not for a long time, fully cover the costs that the nursing homes incur to provide the care," said Stephanie Goodman, a spokeswoman for the Health and Human Services Commission.

But lawmakers in recent sessions have provided only small daily increases for residents, about \$6 per person in 2007.

And Gov. Rick Perry has opposed bills to tax nursing homes and use the money to draw more federal funds for Medicaid patients.

Klyn's daughter, Jane Bruce, said her mother receives excellent care at the Autumn Winds in San Antonio, but more money could help pay workers more and keep the facility up to date.

"They do everything in their power to keep her healthy," said Bruce.

Houston nursing home owner Greg Lentz says keeping seniors out of the hospital saves taxpayers money.

"We're not just old-age rest homes," said Lentz, whose HealthMark Group Ltd. runs eight area 125-bed facilities that use the name Park Manor. "I discharge home over 50 percent of my admissions."

The additional funding, which would bring in \$500 million in extra federal dollars, would allow homes to boost staff salaries, upgrade equipment and buildings and have registered nurses on staff around the clock — a critical component in preventing and reducing hospital stays.

### Medicaid residents

The target is 60,000 nursing home residents

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whose costs are paid through Medicaid, a state and federal program that pays health care costs of elderly residents who can't pay on their own.

The extra money would amount to an increase of about \$20 a day for each Medicaid resident.

"It's been shown that if you intensify the nursing home care, you keep people out of the ER," said Sen. Robert Deuell, R-Greenville, a physician and member of the budget-writing Senate Finance Committee.

He predicted nursing home owners will see some increase in Medicaid rates, but prospects for a major increase are "not very good" because of the tight state budget.

The Texas chapter of AARP supports rate increases for nursing homes, although it is concerned about the industry's excess capacity. The occupancy rate was 73 percent as of last November.

"They're bordering on dangerously low occupancy," AARP advocacy manager Amanda Fredriksen said. "Yet we're still building new nursing homes and not necessarily closing down beds."

All 96 beds are filled at Autumn Winds, located in the northeast San Antonio suburb of Schertz.

### **Out of options**

About 55 percent of the residents are financially able to pay their own bills, and are charged

slightly higher rates than the residents on Medicaid.

But owners Darlene and Ronnie Evans said they can't significantly increase rates for their private pay residents because many have relied on investment accounts that have dramatically shrunk in the collapsing stock market.

The only way they break even is by keeping costs low and beds full, they say.

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