



Protecting Seniors, Respecting Taxpayers – *The Right Agenda for Texas*

With Governor Perry's State of the State address comes the need to also focus on the state of our seniors' care in Texas. From a taxpayer's standpoint, it has never been more important to improve the way we fund and provide care – and to invest in a modern, efficient long-term care system that addresses today's needs and tomorrow's growing challenges.

Making wise investments in Medicaid now will help lower the cost to Texas taxpayers in the years ahead.

But long term savings can only be achieved by following the Texas Health and Human Services Commission (HHSC) recommendation that at least \$368 million in new state spending is required over the next two years to adequately staff and operate Texas nursing homes – and to provide high quality care to the 60,000 elderly Texans dependent upon Medicaid.

Since 1999, the Texas Legislature has failed to appropriately fund the rising costs related to caring for Medicaid nursing home residents – Texas' most vulnerable seniors who are typically in their 80's and have severe chronic care issues. Consider the facts:

- **68% of nursing homes** lose money caring for Medicaid-financed nursing home residents. The average loss per day of care is \$23 – or a negative margin of about 20%.
(Source: Texas HHSC cost report database)
- **Texas ranks 49th nationally in Medicaid funding** – even on a regional basis trailing our neighboring states of New Mexico, Oklahoma, Arkansas and Louisiana.
(Source: BDO Seidman/mult.)
- **60 Texas nursing homes have closed** since January 2006.
- A weakened long term care business sector – which is often the largest local employer in many areas of Texas, means care access problems for seniors, loss of jobs for key staff responsible for hands-on care, and a weaker local economy.



Boosting investment in Medicaid is not a partisan issue. 74% of Texas voters favor increasing Medicaid funding to meet the cost of Medicaid nursing home care – including 65% of Republicans, 73% of Independents, and 81% of Democrats. *(Source: Baseline & Associates poll, 2008)*

It is also significant that the 12th Texas Silver-Haired Legislature has specifically endorsed the need to properly invest in Medicaid. Among their key resolutions is to, "Increase Medicaid funding that supports a rate for Texas seniors equal to costs reported to the state by long term care providers." *(Source: S.A. Express-News 1/22)*

Appropriate ongoing investment in Texas long term care services will also help ease the rate of cost increases in other Medicaid components – such as hospital utilization and emergency room visits. Many of these visits, together with their higher associated costs to taxpayers, are avoidable.

Let us now work together in 2009 to ensure every senior is protected, and every taxpayer is respected in terms of formulating and prioritizing an eldercare policy every Texas citizen can, and should, be proud of.

The Texas Health Care Association
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