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NEWS

Nursing homes concerned about Medicaid cuts

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Fulltime nursing facilities are the second largest health facility employers after hospitals, and a proposed 33 percent cut in Medicaid for nursing homes will have a negative impact on the local economy, officials say.

There is no way a business can take a cut of a third in revenue and survive, said Tim Graves, Texas Health Care Association president and chief executive officer.

"The Texas budget will cut \$1.4 million from the money it pays to nursing homes for care," Graves said. "This will cut the rates that are paid to nursing homes, cost job loss and displace vulnerable seniors who can't take care of themselves."

Half the nursing homes have a high Medicaid census and 60,000 jobs are definitely in danger, Graves said.

Brenham Rest Home provides daily services to 50 residents employs between 45-50 people.

About 75 percent of its revenues come from Medicaid, administrative director Catherine Mahlmann said.

"If the state makes these proposed cuts, we will have to make adjustments in our day-to-day operations," Mahlmann said. "We had a one percent cut in December and another two percent cut in February, but we will have to really tighten our belts with a 33 percent cut."

Care Center of Brenham is also looking at changes in operations with a 33 percent cut, director Ron Blaustic said. The nursing home is at almost 90 percent capacity at 100-115, 110 full-time employees and averages 60 to 70 percent in Medicaid revenue, Blaustic said.

"We would have to make so many cuts in staff," Blaustic said. "This could affect our wound nurse, infection control, housekeeping, and make the facility unsafe for our residents."

"With a 33 percent cut, it will be hard to break even."

People who need extensive care would not be accepted and Blaustic is not sure what will happen to them, he said.

"If the state keeps the rates for patients who require highly skilled attention, but cut the people who just need a little help like feeding and bathing, then they will have to live in their homes and I don't know how they will be taken care of," Blaustic said. "People with higher skilled needs will come in first and people who have a lower skilled need will be left out."

Medicaid funding was cut three percent in the past three months and any more cuts will devastate the homes and the Washington County area, Mahlmann said.

"We are looking at optimizing the balance between care and cost," Mahlmann said. "We have to look at what is coming in and what is going out, and optimize that number in order not to change the care residents receive here."

"We would try to keep all our employees without laying anyone off."

Blaustic doesn't know how nursing homes will handle a 33 percent cut without putting the state in turmoil, but the nursing homes might be able to handle the cuts if the state also made a cut in regulations, he said

"If we had a lot less paper work, then we might be able to live with a 33 percent cut," Blaustic said. "But if the state makes the cuts and doesn't change the regulations, then the nursing homes will have a harder time caring for their residents."

People in nursing homes are there for a reason, Graves said. There will be a significant job loss throughout the state and the two nursing homes in Brenham are in clear and present danger with their Medicaid revenues over

50 percent, he said.

According to the Texas Association of Homes and Services for the Aging there are 1054 licensed nursing home in Texas and a 30 percent cut Medicaid will close 896 nursing homes. This will lead 74,368 direct care job losses, 63,616 residents will lose care and 47,712 of those residents are on Medicaid.

Texas is 49th in Medicaid reimbursements with a daily rate average of \$124 a day for nursing home care, Graves said. The state decides how much money it wants to put up and the federal government matches the money. So far, Medicaid is 40 percent state funded and 60 percent federal funded.

"Right now, our approach is to find funding for nursing homes and look for other revenue raising measures," Graves said. "It is a very big hill to climb, and finding the money in the rainy day fund or raising the sales tax base may be politically difficult, but if it isn't 'raining,' I don't know what it is."

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