

**Opinion**[print this page](#)**Commentary: Economic Stimulus and Medicaid**

By Jennifer Nagorka, Commentator

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President Obama flew to Colorado to sign his economic stimulus package into law. Predictably, the state's Democratic governor praised it. Even the Republican governors of Florida and California have lauded the plan, saying it will help struggling states and average Americans weather the economic downturn.

Texas Gov. Rick Perry disdains the package. His campaign encourages visitors to sign an online petition at [No government bailouts.com](http://NoGovernmentBailouts.com). His attitude seems to be that Texas is doing just fine, thank you very much.

Except it's not. We're not falling into a budget abyss like California, or losing entire suburbs to foreclosures, like parts of Florida.

But we could use some help. The state Comptroller warned Texas lawmakers that they had 10 percent less general revenue to allocate this session than last. To simply keep pace with population changes, Texas must spend hundreds of millions of dollars more. Reversing the chronic under-funding of some programs would require even more cash.

That's why, while Gov. Perry scowled at Washington, some Texas Legislators were jumping up and down and frantically waving their arms at Congress. "Over here! Look at us! Don't listen to him! We'll take the money!"

Texas could receive more than \$15 billion from the stimulus plan. Some would go for transportation, some to education, some to water projects. A large share will go to supplement Medicaid, the state-federal partnership that provides medical care to the very poor. And Texas should reserve a portion of that Medicaid boost for some the state's most vulnerable and voiceless residents: people who live in nursing homes.

Many Americans don't realize that Medicaid - not Medicare - covers long-term nursing home care for indigent elders. About 60,000 Texans rely on Medicaid for that purpose. But the state's Medicaid payments don't actually cover the cost of providing care. The last time reimbursement rates covered the cost of care was a decade ago.

Think about the medical, physical and emotional needs of a nursing home resident with advanced diabetes or congestive heart failure, or serious dementia. The person may need help with basic activities like eating, showering, and going to the bathroom. They need food, often specially prepared to be easier to swallow, and a clean, safe, pleasant facility.

To provide all this, Texas pays nursing homes about \$108 per day. By comparison, a room at the Hyatt Regency in downtown Dallas - with the senior discount - runs around \$150 per night. Industry executives say that Texas nursing homes lose \$10 per day on each Medicaid-dependent resident. Texas should use stimulus funding to increase its Medicaid reimbursement rate by at least that much.

The stimulus money isn't a gift from our rich Uncle Sam in Washington. We will have to pay for it in the future by reforming entitlements. But nursing homes can't make it on what they have -- they're already losing money. What are they supposed to do, stop providing meals and tell residents to order out from Dominos? Gov. Perry may fume, but lawmakers should accept the stimulus money gladly, use it wisely, and start calculating how to maintain the higher reimbursement rates after these special funds are gone.

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