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Graves: Investing in Medicaid funding now can save tax dollars later

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As the 2009 legislative session in Austin is now underway, it has never been more important to improve the way we fund and provide care to Texas' oldest, most vulnerable seniors — and to invest in a modern, efficient long-term care system that addresses today's needs and tomorrow's growing challenges.

Making the appropriate investment in Medicaid can help reduce the number and frequency of hospital admissions by improving resident health, and increasing the capability of skilled nursing facilities themselves to successfully treat more complex medical conditions and incidents – at lower cost to taxpayers.

But this can only be achieved by meeting the Health and Human Services Commission (HHSC) Consolidated Budget target stating \$368 million in new General Revenue spending is needed in the 2010-2011 biennium to address the operating and staffing needs of Texas nursing homes — which serve 60,000 Medicaid nursing home residents twenty-four hour a day, 7 days a week, 365 days a year.

This is not a Cadillac solution – it is a baseline necessity to increasing the number and skill level of direct care staff in nursing facilities across Texas. We were very pleased to see that the 12th Silver-Haired Legislature has specifically endorsed the need to properly invest in Medicaid. Among the Silver-Haired Legislature's key resolutions is, "Increase Medicaid funding that supports a rate for Texas seniors equal to costs reported to the state by long term care providers."

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 home providers lose money caring for of Medicaid nursing home residents. The average loss per day of care is \$23 or a negative margin of approximately 20%.

* Texas ranks 49th nationally in Medicaid funding — even on a regional basis trailing our neighboring states of New Mexico, Oklahoma, Arkansas and Louisiana.

* 60 Texas nursing homes have closed since January 2006. A destabilized long term care 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 economic environment.

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

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

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

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