

# Graves: Vulnerable Texans at mercy of worsening Medicare and Medicaid cost squeeze

*Tim Graves, Local Contributor*

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Now that we know Gov. Rick Perry and former Houston Mayor Bill White will be squaring off in the gubernatorial contest, we are hopeful both candidates will engage in a substantive discussion surrounding the growing squeeze on seniors' benefits financed by Medicaid and Medicare.

This is especially important as federal health care reform raises both the stakes and the uncertainties, and with a variety of state lawmakers already stipulating the need to cut the state budget, spending priorities will, by necessity, take center stage.

From the perspective of protecting the care of Texas' most frail, elderly and disabled residents, we already are alarmed by the developing contours of the debate. Quite simply, we believe that before engaging in definitive discussions about cutting Texas seniors' key Medicaid programs, we must look first at the fact that nursing home residents already confront a distressing cumulative funding squeeze that severely undercuts facilities' ability to recruit and retain high-quality direct-care staff. So in addition to preserving quality care, the issue of preserving and creating good local jobs is encompassed in this discussion.

In evaluating the structural elder care funding picture, we must consider the negative effect of the federal Center for Medicare and Medicaid Services' \$725 million, 10-year cut to Texas seniors' Medicare-funded nursing home care, which went into effect in October. Further, Medicaid rates paid to Texas providers in 2010 are approximately \$200 million short of meeting the state's own conservative estimate of necessary funding.

To be fair and accurate, it must be noted this worsening state Medicaid funding problem has existed for more than a decade. Regardless, with a full 80 to 85 percent of nursing home residents dependent upon federal and state programs that already have been cut in Washington — or now are being examined for cuts in Austin — this double-whammy threat is a truly ominous development.

On a health policy level, as the nature of Texas' nursing home patient population continues to evolve, policymakers should, in fact, support efforts to facilitate nursing homes' ability to care for higher-acuity, post-acute Medicare beneficiaries. Adequate funding helps accomplish this desirable objective. Nursing homes throughout Texas have invested heavily in recent years to increase capabilities to admit, treat and return to home a growing number of patients requiring intensive rehabilitative care. This is a clear benefit to both seniors as well as taxpayers.

In addition to cutting jobs, the worsening Medicare and Medicaid cost squeeze inhibits facilities' continued investment in cost-effective care. This is diametrically contrary to our state and national health policy goals — regardless of which party controls the levers of power.

The challenging budget conditions we face, and the budgetary decisions that ultimately transpire, will have real, substantial and lasting impact on tens of thousands of Texas' most vulnerable citizens — many of whom depend upon skilled nursing facilities for their daily care.

It is essential for voters to know and understand that Medicaid cuts could precipitate the loss of far more in federal funding than it will save in state general-revenue dollars.

Successfully meeting seniors' long-term care needs — as well as sustaining a strong workforce and local jobs base — will be predicated upon robust and adequate Medicaid funding levels from Austin, particularly in the face of ongoing cuts to Medicare funding in Washington.

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