



For Immediate Release
January 13, 2009

Contact: Tim Graves, Texas Health Care Association
(512) 458-1257, tgraves@txhca.org
Rebecca Reid, THCA
410-212-3843, rreid@txhca.org

THCA: Protecting Seniors, Respecting Taxpayers the Right Agenda for Texas
*As Legislative Session Opens, THCA Says Investment in Medicaid Should
be Key Health Policy Priority*

Austin, TX – Saying that a new Speaker of the Texas House in Austin and a new President of the United States in Washington, D.C. has created new and exciting opportunities in regard to strengthening Texas' long-term care delivery system for the benefit of the state's oldest, most vulnerable seniors, the Texas Health Care Association (THCA) said an approach that ensures Medicaid is appropriately funded will yield positive results for both seniors and taxpayers.

"With a new Speaker in Austin and a new President in Washington, the time has never been better to improve the way we fund and provide for seniors' care in Texas -- and to invest in a modern, efficient long term care system that addresses today's needs and tomorrow's growing challenges," said Tim Graves, President of THCA.

"For the 2009 legislative session, it is more important than ever for the long term care profession and Austin policymakers to work together to finally begin evaluating spending on Medicaid-financed nursing home care not just in the context of a two-year legislative cycle -- and in total isolation from other providers and funding sources -- but in terms of how we can work together to improve care quality across the entire continuum in a way that protects seniors and respects taxpayers," Graves continued.

To do so, the THCA President said, it is essential to ensure seniors are protected, care quality improvements are sustained, key staff jobs preserved, and sector stability is achieved. This can only be achieved, he said, by meeting the Health and Human Services Commission (HHSC) Consolidated Budget targets 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.

"The HHSC recommendation 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," Graves continued. "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. This is an important, vital part of the broader eldercare policy dialogue and discussion we intend to have with lawmakers this session."

Since 1999, Graves said, 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. Rate increases since January 2006 have provided very marginal improvement to the dire financial conditions that confronted nursing home services providers at that time, but the state still fails to fund care at the level it actually says is needed to provide quality care. Comparatively, Graves pointed out, Texas ranks 49th nationally in Medicaid funding -- and even on a regional basis trails the neighboring states of New Mexico, Oklahoma, Arkansas, and Louisiana.

Currently, 68% of nursing home providers lose money taking care of Medicaid nursing home residents. For those nearly 700 nursing homes in Texas that lose money on Medicaid residents, the average loss per day of care is \$23 -- or a *negative* margin of about 20%. The HHSC-audited cost report database corroborates these facts. Consequently, 60 Texas nursing homes have closed their doors since January 2006. Providers simply cannot survive in this environment, Graves said, and Texas' oldest seniors do not deserve to have their growing care needs short-changed.

"Appropriate ongoing investment in Texas long term care services can help ease the rates of cost increases in other Medicaid health care components -- such as hospital utilization and emergency room visits," the THCA leader explained. "Many of these hospitalizations, together with their higher associated costs to taxpayers, are avoidable. Moreover, in a majority of cases, the problem is a lack of resources and staff in nursing facilities caused by the chronic underinvestment in Texas' Medicaid-financed nursing home infrastructure."

Concluded Graves: "We salute our lawmakers for their desire and effort to help improve the lives of their fellow Texans, and we want to work constructively together in 2009 to ensure every senior is protected, and every taxpayer respected, in terms of formulating and enacting eldercare policy we can and should be proud of."

#

Founded in 1950, the Texas Health Care Association (THCA) is the largest long term care association in Texas. THCA represents a broad spectrum of long-term care providers and professionals offering long term, rehabilitative and specialized health care services. Member facilities, owned by both for-profit and non-profit entities, include nursing facilities, specialized rehabilitation facilities, and assisted living facilities.