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**THCA on Austin's New Medicaid Cuts: Hurtful to Texas Seniors' Care, Detrimental to Texas Jobs, Wrong in the Face of Steep Medicare Cuts From Washington**

*New State Medicaid Cuts on Top of Big Federal Medicare Cuts Equals Double-Whammy for Texas' Oldest, Most Vulnerable Seniors and Local Jobs Base*

Austin, TX – In the face of new, deep cuts to Medicare-funded nursing home care in Washington, the Texas Health Care Association (THCA) today warned a new 1% - or **\$25.6 million** - funding cut to Medicaid-funded nursing home care announced today by the state's leadership will undermine the care needs of Texas' most vulnerable seniors, jeopardize the stability of Texas' long term care jobs base, and illogically weaken local facilities' ability to send growing numbers of seniors home following stays for convalescent and rehabilitative care.

“On every level – maintaining seniors' ongoing access to quality care, protecting a stable state jobs base, and carrying out smart health care policy itself – these newly-announced Medicaid cuts are wrong for Texas,” stated Tim Graves, President of THCA. “With a full eighty to eighty-five percent of Texas nursing home residents dependent upon Medicare funding that has already been cut in Washington – and Medicaid funds now slated for cuts in Austin -- this double whammy reduction in long term care financing is an ominous development requiring a serious discussion and reassessment of policy priorities.”

Graves said that before locking in these Medicaid cuts, scheduled to go into effect September 1, 2010, lawmakers should be compelled to look first at the fact nursing home residents and facilities are already confronting a distressing cumulative funding squeeze that severely undercuts their ongoing ability to recruit and retain direct care staff. In evaluating the structural eldercare funding picture, Graves continued, the negative impact of a \$725 million, 10-year cut to Texas seniors' Medicare-funded nursing home care -- which went into effect in October, 2009 – must be considered on top of the \$14.6 billion national Medicare cuts that just went into effect as part of national health reform.

“Contributing to the overall predicament threatening seniors and those workers who provide for their care, Medicaid rates paid to Texas providers in 2010 continue to be significantly short of meeting the state's own conservative estimate of necessary funding,” the THCA President observed. “On a health policy level, as the nature of Texas' nursing home patient population continues to evolve, Austin policymakers should support efforts to facilitate nursing homes' ability to care for higher-acuity, post-acute Medicare beneficiaries – not hinder them.”

Graves pointed out that 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," he continued. "In addition to cutting jobs, the worsening Medicare and Medicaid cost-squeeze inhibits facilities' continued investment in cost effective care. This is contrary to rational state and national health policy goals -- regardless of which party controls the levers of power in the Texas Capitol or the U.S. Capitol."

Concluded Graves: "Successfully meeting vulnerable seniors' long term care needs -- as well as sustaining a strong work force and local jobs base -- will be predicated upon robust and adequate Medicaid funding levels from Austin in the face of ongoing cuts to Medicare funding in Washington. With the 2010 election season now upon us, we believe these ill-considered state cuts to seniors' vital Medicaid funds should be a significant part of the political discussion, and we intend to spotlight how local seniors, facilities and jobs will be placed in direct jeopardy."

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*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.*