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## **Texas Health Care Association: New Report on Long Term Care Workforce Spotlights Need to Boost Texas Medicaid Rates**

*Existing Medicaid Funding Levels, 49<sup>th</sup> Nationally, Ill-Serves Ability to Meet Growing  
Demand for Care*

**Austin, TX (April 15, 2008)** – Commenting on yesterday’s release of the Institute of Medicine’s (IOM) new report, “*Retooling for an Aging America: Building the Health Care Workforce*,” the Texas Health Care Association (THCA) said the urgent need to expand the state’s long term care workforce to meet the growing demand for care will be severely undermined by the fact Texas’ Medicaid rates rank 49<sup>th</sup> in the nation, and cannot support the investment in staff necessary to maintain care access to an aging population.

“The overall message of the IOM report is that there is both a supply and demand problem in regard to America’s long term care labor force, and we as a state and nation must better prepare for the deluge of retirees by growing and investing in our workforce,” said Tim Graves, President of THCA. “Medicaid plays an enormous role in shaping Texas’ nursing home labor force and its long-term ability to meet the growing demand for care.”

Continued Graves, “In 2010 and 2011, funds must be made available and appropriated that are at least sufficient to meet the costs of nursing home care as determined by the HHS Commission’s rate setting methodology for the Texas Medicaid nursing home program. Failure to do so will lead to a worsening staffing crisis because facilities simply cannot compete in the local economy for the qualified staff we need, and that our residents deserve.”

The IOM analysis specifically warns the U.S. health-care work force is “too small and woefully unprepared” for the growing elderly population, and lays out a stark picture of increased demand for health-care workers – unmet by a stagnant or even dwindling supply of those trained to treat the elderly.

Graves said it is essential in the year ahead – before the next legislative session – to conduct an honest, straightforward policy discussion about how to strengthen the Texas Medicaid program’s reimbursement rate, which has slipped to 49<sup>th</sup> in the entire nation. “Besides the fact the Texas Medicaid rate requires modification to reflect the realities of today’s health care marketplace, we must also assess how the pending demographic tidal wave of retirees, a great many of whom will ultimately require long term care and services, will place further stress on an already over-burdened Medicaid service structure.”

According to the national accounting firm BDO Seidman, and other sources, while the average national daily Medicaid rate per patient is \$153.83, the Texas rate is just \$106.59 – 49<sup>th</sup> nationally. Comparably, on a regional basis, New Mexico ranks 30<sup>th</sup> nationally, at \$137.24; Oklahoma ranks 44<sup>th</sup>, at \$116.84; Arkansas ranks 47<sup>th</sup>, at \$111.76; and Louisiana ranks 45<sup>th</sup>, at \$115.00.

The THCA President said that care quality in Texas nursing homes – and sustained progress in quality improvement – is directly tied to Medicaid funding stability. “Government has every right to insist upon quality care, but government also has an obligation to adequately finance that care – and the new IOM report and its recommendations help make the case for doing so.”

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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.*