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**Texas Health Care Association Urges Wide-Ranging Debate on Medicaid
Financing Issues in 2008 State, Federal Elections**

*New Eldercare Reform Plan Released Today in Washington D.C. Serves as Excellent Vehicle
to Drive Policy Discussion*

Austin, TX (January 15, 2008) – Saying it is time for the state of Texas to have a major public policy discussion of eldercare financing issues in the 2008 state and federal elections, the Texas Health Care Association (THCA) praised the release in Washington, D.C. today of a new long term and post acute care reform proposal that strengthens the financial underpinnings of the nation’s Medicaid program with private sector investment, and ensures seniors now and in the years to come will have maximum choice and quality across the spectrum of long term care settings and services.

“With demand for long term care across the range of care settings growing, we encourage Texas’ consumers, providers, regulators and lawmakers to have an intelligent, far-reaching policy discussion about strengthening the financial underpinnings of Medicaid – vital to so many of our most vulnerable citizens,” stated Tim Graves, President of THCA. “With Medicaid financing a joint state-federal responsibility, we sincerely hope our Austin and Washington-based lawmakers can help address the fact Texas ranks toward the very bottom nationally in terms of the average Medicaid reimbursement rate. The plan released today has the potential to help drive a necessary debate about strengthening Medicaid at a time when demographic challenges are mounting.”

Graves said a THCA compilation of the most recently available Medicaid payment rate data by the national accounting firm BDO Seidman, and the Lancaster Group, finds the average daily Texas Medicaid rate at \$106.59 – 49th in the nation. The national average rate is \$153.83, according to the data. Comparably for the region, the New Mexico ranks 30th nationally, at \$137.24; Oklahoma ranks 44th, at \$116.84; Arkansas ranks 47th, at \$111.76; and Louisiana ranks 45th, at \$115.00.

The reform plan – prepared with the assistance of Avalere Health, LLC and released jointly at a National Press Club policy briefing by the American Health Care Association (AHCA), National Center for Assisted Living (NCAL) and Alliance for Quality Nursing Home Care – features a restructuring of the Medicaid financing system based partly on more private sector involvement. Medicaid, established in 1965, and which currently finances the lion’s share of long term care in America, remains a literal lifeline for Texas’ less fortunate elderly. The THCA President said Medicaid must be reformed in a manner that ensures consistent care and services, adequate financing and payment stability, and that helps relieve the financial pressures on state government.

In addition to restructuring Medicaid, this plan, available in more detail at www.ahca.org, will create:

A Streamlined Long Term Care System Enhancing Consumer Choice

The proposal will infuse private resources into the entire spectrum of long term care services, ensure a viable care system for the future that covers care provided at home and in a full array of care settings, optimize choice in the type and site of care received, and federalize the system to minimize state-by-state and regional differences in the long term care benefit available to all Americans. The plan will also establish new financial products -- including improved reverse mortgages, federally-endorsed long term care (LTC) insurance products, and new LTC savings accounts – which individuals are incentivized to purchase in order to cover future LTC costs.

New Medicare Post-Acute Payment System Featuring Updated Patient Assessment Tools

The Centers for Medicare and Medicaid Services (CMS) will implement a new Medicare post-acute payment system based on the condition, needs and characteristics of the patient, regardless of the site where care is delivered, thus further encouraging and enhancing consumer choice. A post-acute patient assessment tool will replace the existing site-specific model and will assist in determining patient placement, care plan development, continued stay and discharge decision-making, development of quality indicators, and payment calculation. The new Medicare payment model and patient assessment will replace the current system for which each site of care has its own reimbursement system determined by varying types of patient classifications.

Concluded Graves, “It is a positive development that we’ve seen so much talk on the presidential campaign trail about improving Americans’ access to health care, but we must also hear far more throughout 2008 about strengthening our long term care system so every Texan will have access to quality care when they need it.”

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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.