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New Study: Texas Seniors 4th Hardest-Hit from Proposed Bush Administration Medicare Cuts

\$47 Million Cut in Year-Ahead Nursing Home Funding Harms Patients, Threatens Key Nursing Staff Jobs

Austin, TX (May 13, 2008) -- Commenting on a newly-released analysis of the Bush Administration's proposed regulatory changes that will cut Medicare-financed nursing home care in Texas by \$47 million in the year ahead – the 4th highest level of cuts in the nation – the Texas Health Care Association (THCA) today warned the Medicare funding cuts would both harm patient care in Texas' nursing homes, and threaten the key caregiver jobs that make a measurable difference in quality outcomes.

"The Bush Administration's proposed regulatory-driven Medicare funding cuts will severely jeopardize the growing complex care needs of Texas' oldest, sickest seniors -- especially when combined with the existing weakness of Texas' Medicaid program," warned Tim Graves, President of the THCA. "The bottom line is that the federal policy being illogically pursued in Washington will hurt seniors and place in jeopardy the jobs of our front line caregivers in our city, suburban and rural facilities alike."

Earlier today, Bruce Yarwood, President and CEO of the American Health Care Association (AHCA), in Washington, D.C., released an analysis of the cumulative \$770 million national Medicare cuts – proposed by the Administration-directed Centers for Medicare and Medicaid Services (CMS) – which finds the regulatory changes will incur an \$11.12 per patient day (PPD) cut in Medicare-financed nursing home care nationally, and will have the most significant negative impact on seniors in California, Florida, New York, Texas, Ohio, Illinois, Pennsylvania, New Jersey, Michigan and Massachusetts. The analysis, computed by the AHCA Reimbursement and Research Department using Office of Management and Budget (OMB) data from the Bush Administration's FY 2009 Budget and the Centers for Medicare & Medicaid Services (CMS), finds the following:

<u>Rank</u>	<u>State</u>	<u>Total Reduction (Millions)</u>	<u>Per Patient Day</u>
#1	California	\$64.9	\$13.69
#2	Florida	\$62.3	\$11.66
#3	New York	\$50.0	\$11.12
#4	Texas	\$47.0	\$10.34
#5	Ohio	\$44.8	\$10.92
#6	Illinois	\$42.2	\$11.09
#7	Pennsylvania	\$36.2	\$10.66

#8	New Jersey	\$34.6	\$13.09
#9	Michigan	\$28.7	\$11.20
#10	Massachusetts	\$27.1	\$12.01
	U.S. Total	\$770	\$11.12

Graves said the combination of Medicare cuts and an anemic Texas Medicaid program is severely undercutting facility staffing efforts and intra-facility quality improvement programs, many of which are being conducted jointly with state and federal government. “The unfortunate irony is that on one hand, we are working vigorously and successfully to improve facility care, while, on the other hand, government payment policy at the federal and state levels undermines our collective policy objective – which is to improve quality standards in the face of a growing demographic tidal wave of retirees with substantially more complex care issues.”

The THCA President said now is precisely the right time to energize a discussion about how to strengthen long term care in Texas, where the state’s Medicaid reimbursement rate has spiraled to 49th in the entire nation, according to the national accounting firm, BDO Seidman, and other sources. Said Graves, “With Medicaid financing a joint state-federal responsibility, the Texas long term care profession is today urging incumbent state lawmakers as well as their challengers – through our new Texas-specific effort, “Educate ’08” -- to take a hard look at the fact that while the average national daily Medicaid rate per patient is \$153.83, the Texas rate is just \$106.59.”

Even on a regional basis, the THCA President said, Texas is falling behind: 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. said Graves: “Ultimately, the long term care funding crisis is all about maintaining care quality standards and dignity for many Texas seniors in their late 70’s, 80’s and still older, and we intend to make the case that their care needs must be elevated in terms of the public policy dialogue and actual public funding outlays.”

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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.