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**Texas Health Care Association President on Proposed 33 Percent Medicaid Cuts:
“The End of Medicaid Skilled Nursing Facility Care in Texas”**

*“Budget Bombshell” Will Force Nursing Facilities to Close, Displace Nursing Facility Residents,
Eliminate Caregiver Jobs*

Austin, TX – In the wake of Texas’ nursing facility operators scrambling to already absorb millions of dollars in state Medicaid rate cuts, on top of billions of dollars in federal Medicare cuts, the President of the Texas Health Care Association (THCA) today said the newly-convened state legislature’s proposal for deep 33 percent cuts to Medicaid-funded nursing and rehab care would cause financial ruin, bankruptcies and facility closures; cause widespread displacement of fragile nursing home residents; and send skilled, frontline health care workers to unemployment lines in local communities across Texas.

Graves pointed out that HB 1, the House version of the legislative appropriations bill for 2012-2013, indicates a funding recommendation for nursing facility payments that is \$1.4 billion or 33 percent less than current funding.

“If this proposal proceeds, Medicaid nursing home care in Texas will cease to exist,” Graves said. “This draconian action is a clear disconnect between what is being proposed in Austin, and the damage that will actually occur in local lawmakers’ home districts.”

Graves said long term care advocates have a clear path forward in terms of taking on this direct challenge to the fundamental ability of local nursing home facilities to survive, to continue providing quality long term care for their residents, and to remain important drivers of local jobs and economic activity in many of Texas’ smaller towns and communities: “Our strategy is straightforward: we will take this debate to the local level and ensure that the lawmakers who will ultimately craft a state budget know without a doubt that this initial proposal will hurt their elderly constituents, cost the jobs of local caregivers, and put at risk the fundamental viability of many communities’ most significant local employer.”

“Even before this new budget bombshell, the already proposed 2 percent Medicaid rate cuts – on top of last September’s \$25.6 million state Medicaid cuts, and federal Medicare cuts of over \$1.5 billion over ten years enacted as part of health care reform – placed Texas nursing facility residents, their caregivers and local communities in clear and present danger,” Graves concluded. “We will vigorously engage this budget debate, and will continue to believe that Texas’ elderly citizens, Texas’ jobs and the very well being of Texas’ communities ought to be a top budgetary priority.”

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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.