



For Immediate Release
January 24, 2011

Contact: Tim Graves, (512) 458-1257, tgraves@txhca.org
Rebecca Reid, (410) 212-3843, rreid@txhca.org

Texas Senate Follows House Lead, Introduces Budget That Will Initiate the End of Medicaid-Funded Nursing Facility Care in Texas

THCA to Begin New Ad Effort Tomorrow Warning “Budget Bombshell” Will Force Nursing Facilities to Close, Displace Facility Residents, Eliminate Caregiver Jobs

Austin, TX – In releasing a budget bombshell similar to the one introduced by the House last week, the Texas Health Care Association (THCA) today said the Texas Senate’s bill, SB1, proposes deep 33 percent cuts to Medicaid-funded nursing and rehab care that would cause bankruptcies and facility closures, lead to widespread displacement of fragile nursing home residents, and send skilled frontline health care workers to unemployment lines in local communities across Texas.

Graves said SB 1, like HB 1, the House version of the legislative appropriations bill, recommends nursing facility payments \$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 warned. “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 THCA would commence a new statewide ad effort to begin with a full-page ad in tomorrow’s *Austin American Statesman*, and said the eldercare advocacy group’s strategy will be to focus attention on the local impact of the untenable funding reductions. “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 the House and Senate bills were introduced, 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.”

#

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.