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Texas Health Care Association Urges Texas Congressional Delegation to Fight Planned Federal Cuts to Medicaid, Medicare

Federal Budget Reductions Would Further Undermine Texas Seniors' Nursing Home Care

Austin, TX (February 1, 2008) – Commenting on a *New York Times* news article that appeared January 31 reporting the Bush Administration's FY 2009 budget will include federal Medicaid and Medicare funding reductions, the Texas Health Care Association (THCA) strongly urged the Texas congressional delegation to fight these health care funding reductions once they are formally unveiled in Washington on Monday, February 4.

"Federal cuts to Medicaid and Medicare like those to be formally unveiled by the Bush Administration next week – on top of our already over-burdened state Medicaid program – will create an even more problematic situation for our most vulnerable elderly and disabled residents, and we strongly urge the Texas congressional delegation to fight these cuts," stated Tim Graves, President of THCA. "With upwards of 60 percent of nursing home operating expenses driven by labor costs, additional financial pressures placed on facilities caused by federal funding cuts will undermine patients and further destabilize our direct care workforce."

Graves said that in the wake of federal efforts to reduce Medicaid and Medicare funding, THCA is encouraging a broader public debate about why Texas' Medicaid reimbursement rate has slipped to 49th in the nation – and which simply does not meet the growing complex care needs of our rapidly aging population.

While the average national daily Medicaid rate per patient is \$153.83, the Texas rate is just \$106.59 – 49th in the nation – according to independent data from the national accounting firm BDO Seidman, and other sources. Even on a regional basis, he 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.

"What occurs in Washington in regard to federal cuts to Medicaid and Medicare has a direct impact on seniors here in Texas, and we will be urging our U.S. Senators and House Members to stand up for the care needs of their most vulnerable constituents by refusing to agree to these funding cuts in any final budget package eventually agreed upon," Graves concluded.

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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.