



For Immediate Release
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New Study of House Health Care Reform Bill: Texas Faces Over \$2.7 Billion in Medicare-Funded Nursing Home Cuts Over Ten Years

Proposed Medicare Cuts Estimated to Harm Seniors' Care, Place More than 3,200 Texas Nursing Staff Jobs in Jeopardy

Study Finds Texas' Seniors Hit 4th-Hardest Nationally by Proposed Cuts

AUSTIN, TX (AUGUST 21, 2009) – A new American Health Care Association (AHCA) analysis of the pending U.S. House health care reform bill, combined with the impact of a recently-enacted Medicare regulation cutting Medicare-funded nursing home care by \$12 billion over ten years, finds seniors in Texas requiring nursing and rehabilitative care will face total funding cuts of more than \$2.7 billion over that same time period, which equals the 4th-highest state cut across the 50 states. Nationally, the study finds, seniors' Medicare cuts will total \$44 billion over ten years, prompting Texas' long term care community to warn that Texas seniors' care needs are threatened by the House bill, as are the jobs of more than 3,269 caregivers in Texas alone.

“From the perspective of our nursing home residents and the caregivers serving them, these proposed cuts to Texas seniors' Medicare-funded nursing home care are of great concern. We hope lawmakers will take notice of the harm these cuts will bring, and take the remaining portion of the August recess to revise reform plans and fine-tune another approach that will ensure seniors' continued access to highest quality care,” said Tim Graves, President of the Texas Health Care Association (THCA). “Under the current reform bill, Medicare cuts to provider reimbursement will in turn cut staffing – since 60 percent of nursing facilities' costs are labor-related – and the loss of these key staffing positions will have a direct, negative impact on residents and their care.”

The new analysis of the House bill's Medicare funding reductions over ten years (combined with the \$12 billion ten year Medicare cuts just put into effect by the Centers for Medicare and Medicaid Services (CMS), is computed by the AHCA Reimbursement and Research Department using the Congressional Budget Office (CBO) score of both HR 3200 and the recent CMS funding rule, along with Medicare Skilled Nursing Facility (SNF) utilization data.

Other states with cuts exceeding \$1 billion over ten years include California, Florida, New York, Ohio, Illinois, Pennsylvania, New Jersey, Massachusetts, Michigan, Indiana, North Carolina, Virginia, Connecticut and Tennessee.

In crafting a final bill, Graves also urged lawmakers to take into account the fact the Medicaid program already under funds the cost of providing care in Texas thereby already placing enormous stress on facilities and staff before federal Medicare cuts even enter the picture. “We believe that in undertaking reform, Congress should preserve and protect seniors' Medicare-

funded nursing home care, and we respectfully ask lawmakers to do so when Congress reconvenes in September."

All 50 State Cut Data Available at www.ahca.org.

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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.