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**TESTIMONY OF WAYNE CULP  
ON BEHALF OF THE TEXAS HEALTH CARE ASSOCIATION TO THE  
SELECT COMMITTEE ON HURRICANE IKE STORM DEVASTATION TO THE GULF  
COAST**

**November 10, 2008**

I am Wayne Culp, Vice-President of the Health Mark Group. The Health Mark Group operates eight long term care facilities in the Greater Houston area and we had extensive experience in responding to the difficulties presented by Hurricane Ike.

I am also an Elected Director of the Texas Health Care Association's Board of Directors and I am here representing THCA today.

The Texas Health Care Association (THCA), founded in 1950, is the state's largest long term care association. Our membership is comprised of approximately 500 for-profit and non-profit entities – including nursing facilities, specialized rehabilitation facilities and assisted living facilities.

THCA is honored and pleased to provide testimony today regarding an issue of major importance and significance to seniors under the care of providers throughout the Greater Houston and Gulf region, and of importance to every Member of the Select Committee.

We are very pleased this legislative panel has been established to review the government response to the hurricane, and to identify issues for the legislature to address in preparation for future natural disasters and their aftermath.

The issues facing our coastal communities are complex, and will require not just increased resources, but a complete review of how our state handles natural disasters.

I want to thank Reps. Sylvester Turner and John Davis for serving as Chairman and Vice-Chairman of the Committee, respectively, and for providing us the opportunity to express our views and perspectives.

It's not an overstatement to say that when there's bad news, we always see and read that first in the news coverage, but it's the excellent work that often goes unnoticed that, we believe, should be pointed out. First off, it is important to thank Governor Rick Perry and his team for the swift and coordinated response effort. I also want to commend Jack Colley, Chief of the DPS Emergency Management Division, and his team for their round-the-clock efforts to ensure

the safety of all impacted Texans. Lastly, we much appreciate the work of Commissioner Horn and her staff at the Department of Aging and Disability Services. Well before, during, and well after the strike of Hurricane Ike, she and her team worked with the long term care provider community to ensure successful evacuation and service maintenance and restoration actions.

As residents of Galveston, the greater-Houston area, and other areas along the coast work to clean up and salvage their homes, businesses and lives in the devastating aftermath of Hurricane Ike, it is clear to us all that after every storm, our local, state and federal governments are integral to achieving successful response and relief efforts.

The bottom line, Chairman Turner, is that the long term care profession is grateful for the state and local response efforts, and we have a few observations that will help make the response still stronger as we work to perfect and strengthen our collective effort.

**1) Transportation Resources:** During Hurricane Ike, 86 nursing homes and 105 assisted living facilities in 19 counties, were evacuated -- impacting approximately 8000 seniors. Nursing home and assisted living facilities generally evacuate 60-72 hours before a hurricane strikes. Buses and ambulances are necessary to transport residents, staff, family members of staff, and sometimes pets out of harm's way.

We have worked well with state officials on efforts to firmly secure transportation resources well in advance of hurricane season. The long term care provider community understands it is our responsibility to secure and pay for these resources.

However, depending on the location and intensity of a hurricane strike the demand for transportation resources can be severely strained and planned arrival of buses and ambulances does not occur in a timely fashion.

We recommend that collaborative work between state officials, the long term care provider community, and the state's motor coach and ambulance companies continue to ensure:

- a. Firm contracts can be executed between providers and transportation companies well in advance of hurricane season every year; and
- b. A back-up plan is developed to allow providers to obtain transportation resources that may be under contract with the state.

**2) Power:** As you know more than 3 million people lost power during Hurricane Ike. In eight counties, 56 nursing homes and 71 assisted living facilities lost power. Some of the facilities were without standard power for several days, operating with back-up generators.

The energy companies operating in the strike area were a key part of the response effort and given enormity of the recovery task they did an amazing job. We recommend that collaborative work

between the state, the long term care provider community, and state's major power companies continue to ensure:

- a. Power companies are aware of the location of nursing homes and assisted living facilities; and
- b. A process is established to ensure that these facilities receive priority status as power restoration efforts are carried out.

**3) Reimbursement of Extraordinary Costs:** Long term care providers have worked long and hard to improve storm preparation procedures and protocols all along the vulnerable Gulf Coast. The central mission is to ensure critical health care services are provided on a twenty-four hour basis throughout the traumatic events to patients in need -- regardless of whether the facility is evacuated out of harm's way, or elects to shelter in place.

Expenses incurred by rapidly-evacuating facilities include lodging for additional staff and their families, overtime, other compensation, and emergency supplies. Many facilities also rent trucks to carry wheelchairs, medication carts and other equipment and supplies. These trucks follow the buses to assure patients will have their wheelchairs and other adaptive equipment upon arrival at a safe location.

Costs simply to evacuate a single nursing home can run from \$75,000 to \$100,000. When sheltering in place, the generators necessary to fully-power a nursing can cost up to \$70,000 each, and burn 10 gallons of diesel per hour to run air conditioning, ventilators, and other medically-necessary equipment; all of this when the price of diesel fuel is as high as \$6 per gallon.

Still one last challenge is the fact Medicaid patients comprise 70% of all nursing home patients in Texas, and these facilities receive just \$112 per patient, per day for their care. This is not close to covering the extraordinary costs of either sheltering in place or evacuating during a disaster. The Texas Medicaid funding level for nursing home care is a separate issue in and of itself which we will be speaking far more about in the weeks and months ahead and through the 2009 session.

In any event, we are working on two ways to help cover the extraordinary costs related to hurricane (or other disaster) response efforts:

- a. We understand that some federal Title XX funds may be available to pay for disaster response costs incurred by the long term care provider community. We will continue our work with state and federal officials on this possibility.
- b. Another possibility has been far more elusive, and we hope to work with the Select Committee to amplify our concerns about federal assistance needs and coordination.

Under an illogical law, the *Stafford Act*, for-profit long term care facilities are not eligible to access federal assistance. The *Stafford Act* Disaster Relief Fund (DRF) grants now needed

are financed by funds appropriated by Congress, and provide for the immediate needs of individuals and families, public infrastructure repairs, emergency communications systems, and other assistance.

The current law is impractical. Hurricanes do not discriminate between for-profit and not for profit facilities when it comes to wreaking havoc and destroying property.

In many localities, for-profit skilled nursing facilities are the only provider serving an entire community -- and should be provided with equal access to federal resources. With 83.5% of all nursing facilities in Texas operating on a for-profit basis, this leaves a wide swath of facilities throughout the Houston area unable to get the federal help they need to protect their oldest patients – many of whom are in their mid-80's and older. This law requires common sense reform as soon as Congress reconvenes, and we believe the time to act is in several weeks when the U.S. Congress reconvenes for a so-called "lame duck" session.

Again, thank you for allowing us to air our views here today, and we look forward to working with you in the future as we work together to always do the best for elderly and disabled Texans who need our help most.