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**TESTIMONY OF DARLENE EVANS, PAST CHAIR  
TEXAS HEALTH CARE ASSOCIATION  
HOUSE HUMAN SERVICES COMMITTEE**

**MARCH 5, 2009**

My name is Darlene Evans. My husband and I own and operate a nursing facility in Schertz, Texas—Autumn Winds Retirement Lodge. I currently serve as Past Chair of the Texas Health Care Association.

As you know, the Texas Health Care Association (THCA) represents a broad spectrum of health 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.

Thank you, Chairman Rose, for holding this hearing today. We appreciate the opportunity to offer our views and comments regarding how best to protect our oldest citizens, many of whom have disabilities -- and all of whom deserve to always retain ready access to the quality long term care and services they require for their very livelihoods.

THCA believes 2009 has never presented a better opportunity to work on creative, innovative policy solutions to improve the way we fund and provide for seniors' care in Texas -- and to invest in a modern, efficient long term care system that addresses today's needs and tomorrow's growing challenges.

Already, this year, we have worked successfully with the Legislature and the Governor in the effort to be constructive partners in the response to Hurricane Ike. The long-term care profession is overwhelmingly pleased with the state and local response efforts, and, working together, we made significant strides towards bringing a more systematic, intelligent, rational approach to disaster preparedness and response.

With your help, we made a significant difference in the lives of every impacted senior, and it is one of the good stories that emerged over the past several months. Of course, we learned some things as well. Apparently, unlike hospitals, nursing facilities are not a priority for energy companies to return power to. We may need your leadership to put nursing facilities on the same priority footing for the return of power following catastrophic events such as Hurricane Ike.

One key area highlighted in the torrent of media coverage that ensued following the storm 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.

From a public policy perspective, we hope to work together with you to sustain the positive momentum from the Hurricane response and now begin to look more broadly at this fundamental, chronic eldercare-funding crisis that is the basis for so many ongoing problems.

Mr. Chairman, growing evidence shows that improved investment in long-term care services now can reduce the utilization of much higher cost hospital and emergency room services in the future. Seniors benefit from improved care, while taxpayers benefit from the more efficient use of tax dollars. The time for investing in a modern long-term care system for Texas is now, and the smart reforms that will benefit every Texas citizen are at hand if we work constructively together to achieve them.

The key first step is supporting the Health and Human Services Commission's (HHSC) Consolidated Budget target specifying \$368 million in new General Revenue spending is needed for the 2010-2011 biennium to address the operating and staffing needs of Texas' nursing homes.

Let's consider the facts behind the need for more adequate funding:

Since 1999, the Texas legislature has failed to appropriately fund the cost increases necessary to care for Medicaid nursing home residents.

Texas Medicaid nursing home rates now rank 49th lowest in the nation.

60 nursing facilities have closed their doors since January 2006.

68 percent of Texas' nursing home providers lose money caring for Medicaid-financed nursing home residents.

Mr. Chairman, 60,000 Texas seniors depend upon adequate Medicaid funding for their care. These 60,000 Texas seniors are among our most vulnerable citizens – typically in their 80's, and afflicted with chronic health conditions. But providers simply cannot survive in this current funding environment, and our oldest seniors do not deserve to have their growing care needs shortchanged.

Finally, Mr. Chairman, we encourage this Committee, as we have the Legislature-at-large, to have an open mind in terms of how best to use the substantial amount of federal economic stimulus aid coming to Texas as a means of addressing these substantial funding challenges.

It is not unprecedented for Congress to provide limited, or one-time, payments to states to help us through periods of increased budgetary pressure on Medicaid services due to economic challenges. THCA believes the stimulus funds provide us the opportunity to seriously begin closing the gap in Medicaid funding that has negatively affected all Medicaid providers and the patients under their care for nearly ten years.

Strengthening Medicaid is good policy from the standpoint of protecting quality care for seniors, maintaining a strong local jobs base, strengthening our long-term care capacity in times of growing demand. Two big ticket items identified by HHSC was the need to address the fixed capital component for the aging long term care facilities and funding the minimum wage the federal government will force on all employers this summer. The stimulus funds could clearly work to address some of these issues.

Let's not forget the employees that care for the frail and elderly of our State. We need to place providers such as myself in a position to attract and pay competitive wages to nurses. The nurse shortage impacts the entire healthcare spectrum. But, long term care is usually scrambling to fill the gaps. We must try new and creative approaches to educate and retain nurses in the long term care profession. The federal stimulus funds may offer a unique opportunity to put these ideas into motion. We must also be watchful to not putting in place legislation that creates barriers or discourages individuals from entering into our profession.

The House and Senate have legislation that is characterized as pay-for-performance. Chairman Rose, you are well aware that we already have a program that accomplishes similar goals in the staffing enhancement program. It has never been fully funded. We must be sensitive to adding more requirements without adequate funding.

We look forward to working constructively with you, and this Committee, to formulate and enact eldercare policy we can and should be proud of. Again, thank you for the opportunity to offer these comments. I would be happy to answer any questions.