



The Importance of Stabilized Funding

Between Legend Healthcare's 17 long term care facilities, Legend cares for about 1,600 patients a day. Of these 1,600 patients, about 60% are Medicaid-dependent while 20% are Medicare-dependent. Adequately funding nursing home care is vital to ensuring our most vulnerable seniors' have access to quality healthcare.

The U.S. Department of Health and Human Services reports there are more than 10,000 people in the United States turning 65 each day. With the elderly being the fastest growing population in the country, Long Term Care (LTC) access and availability has never been more important. LTC refers to a variety of services which help meet both the medical and non-medical needs of people who require assistance caring for themselves. This care is provided in the community, in Nursing Facilities (NFs) and Skilled Nursing Facilities (SNFs), and is primarily paid for by Medicaid and Medicare.

A NF is a residence where individuals have a room, meals, and assistance with activities of daily living. Nursing care is delivered around the clock by trained and licensed healthcare professionals, including Registered Nurses (RNs) and Licensed Vocational Nurses (LVNs), to residents who require close medical supervision because of illness, frequent medication administration, and/or medical interventions. A SNF is a facility that has been certified by the federal Medicare program to care short term for acute patients admitted from the hospital. SNFs have skilled nursing and rehabilitation staff to manage, observe and evaluate care. In addition to registered and licensed nurses, the SNF must have available licensed physical and occupations therapists, speech-language pathologists and audiologists to meet the needs of patients.

In Texas, nearly 60,000 elderly and disabled NF residents receive NF services through Medicaid, while in the United States, nearly 2 million patients receive SNF services through the Medicare program. To care for these 60,000 NF patients in FY 2014-2015 costs Medicaid almost \$925 million. Medicaid represents a blend of both federal and state dollars paid at a rate set by the State of Texas. These rates historically fail to cover the actual cost of providing NF care. When these rates do not cover the cost of care, it becomes the financial burden of the nursing home provider. Additionally, Medicaid-funded nursing home care was already cut \$58 million in the last budget cycle, federal Medicare funding was cut \$234 million this year, and still more deep Medicare cuts loom on the horizon for Texas' most vulnerable seniors. Chronically underpaying nursing home providers puts them at risk of having to freeze wages and lay off staff/caretakers, defer facility renovations and investments in technology, reduce benefits, or close the entire facility. Putting huge financial strain on nursing home providers compromises the access and availability to quality healthcare for the disabled and elderly. At a time when need for this healthcare is greater than ever, it is vital the government stabilize funding for nursing home care in the Medicaid and Medicare program in order to create and maintain healthcare jobs, ensure access to necessary long term care, and improve the quality of care provided in long term healthcare settings.