

Extend Medicaid funding If we don't, the most vulnerable will be hurt the most

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By Dr. Stuart H. Shapiro

Federal legislators must put aside partisan politics and pass legislation to extend federal Medicaid aid to the states.

Across the nation, Democratic and Republican governors have come together to plead with Congress to extend \$24 billion in additional federal Medicaid aid to the states, the majority of which are facing severe shortfalls in their 2010-2011 budgets. This is not a new program or an expanded entitlement; it is simply a six-month transition to help states survive.

Without the additional funds, vital programs and services nationwide will face severe cuts since these dollars are used to sustain entire state budgets, not just health care programs.

Pennsylvania Gov. Ed Rendell has been one of the nation's champions for this aid, and rightfully so, because here in Pennsylvania, we have so much to lose. This is the \$850 million gorilla that most threatens Pennsylvania's budget.

Without the federal aid, Mr. Rendell has said that 20,000 state and local government employees could lose their jobs -- from social workers to police officers to firefighters to teachers. Thousands more who provide direct care in hospitals, nursing homes and child care centers would face a similar fate.

Child welfare services and programs for people with mental and physical challenges would be cut back. Nearly 90 percent of hospitals would face cuts, especially those that care for most of the indigent.

I'm particularly concerned about the impact this would have on nursing homes, as Mr. Rendell has said nursing homes would face draconian cutbacks without the federal aid. Because Medicaid is the largest payer of long term care, with roughly two-thirds of all nursing home residents across the country funded through the program, this

would have serious negative effects on the frail and sick elderly who live in nursing homes.

Even without further cuts, nursing homes in virtually every state face shortfalls when caring for Medicaid residents. In Pennsylvania, nursing homes must absorb an average loss of \$14 per day -- \$5,000 a year -- for each Medicaid resident. Two-thirds of our residents are on Medicaid.

Nursing homes care for our most fragile elderly -- those who are too sick to safely receive care at home. Among health care providers, they also are the most dependent on government funding.

Nearly 80 percent of Pennsylvania's nursing home residents are funded through Medicaid or Medicare, and the health care reform legislation that Congress passed earlier this year will cut nursing home Medicare payments by nearly \$700 million over the next 10 years.

Unlike other providers, nursing homes have little wiggle room for recapturing shortfalls elsewhere, except to charge their small percentage of private-pay residents a higher rate, which only forces those residents to spend down their assets faster and potentially become dependent on Medicaid themselves.

Without adequate Medicaid funding, nursing homes struggle to hire and retain qualified, compassionate caregivers and risk losing the quality gains they have accomplished in the past decade. Without adequate funding, it's only a matter of time until the elderly have difficulty obtaining care. Here in Pennsylvania -- one of the nation's "oldest" states -- access to nursing home care is already becoming an issue in some areas.

It's true that granting the federal Medicaid extension only pushes back by six months the day of reckoning for states, when they have to find a way to balance their budgets and pay for services on their own. And yes, we must curb our debts and deficits.

But the short-term extension of the stimulus Medicaid funding is necessary to provide a transition. It will allow states to protect their already-fraying social service safety nets and plan for the day when additional federal aid disappears, while also giving the economy a little more time to continue its slow recovery.

One thing is clear: While all Americans will feel the impact of the budget cuts should Congress not approve this federal aid, it's the most vulnerable among us -- our elderly, our children, our disabled, our working poor families -- who will pay the highest price.

It is now time for our federal legislators -- Republicans and Democrats -- to follow the lead of our governors and put aside partisan politics to pass legislation that would extend this aid for six months. Joining together to vote "yea" will prove to be not only good policy, but also good politics.

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