

Faces of Medicaid are many — and worried

By Kiah Collier

Friday, March 4, 2011

SAN ANGELO, Texas — Cecia Perry retired only when she had to.

After working well into her 70s, the Fort Worth native took a hiatus after being injured in a serious car crash, but continued to live on her own.

Now, living in San Angelo, Perry is one of thousands of elderly Texans who depend on Medicaid.

When she started having health problems two years ago at age 83, Perry said, she found it difficult to give up her independence. With some convincing, she ended up moving to Austin for a year to live with a niece.

"I'd been by myself for so long, independent, cooking and doing things for myself," said Perry, whose husband of 40 years died in 1985. "It was kind of hard for me to get adjusted."

During that year, her health continued to decline. Already diabetic, Perry suffered two strokes that moderately paralyzed the right side of body. Her niece's health had declined as well.

So when her other niece, longtime San Angelo resident Juanita Stemen, became the director of clinical services at Baptist Memorial Retirement Community about a year ago, Perry moved to San Angelo and became one of about 100 residents at Baptist's nursing home, a facility on North Main Street with a reputation for providing quality care.

Perry said that transition was easier.

"I just felt at home here," said Perry, who sees her niece every day. "I don't know why, I guess I had just gotten used to not being by myself. It's been a joy having family here."

During the decades Perry worked as a housekeeper and nanny, she accumulated a modest amount of savings — "I wasn't too thrifty. I was kind of bad with Avon" — and Stemen said their favorite aunt always found a way to get birthday presents for her and her sister.

But with accumulating health care expenses, that savings quickly diminished and Perry — who was receiving aid from Medicare — ended up at Baptist Memorials only after finding out she was eligible to receive Medicaid.

"We were pretty sure she was going to qualify because we knew she didn't have much," Stemen said, noting that her aunt had lived in low-income housing.

The need-based program, which is managed by the states but funded at both the state

and federal level, is "a safety net for those who spend down all their money" — often on health care expenses — and need assistance, said Wes Wells, Baptist Memorial's vice president of health care services.

Most, like Perry, worked hard their whole life and generated savings that sustained them when they were healthy but that disappeared quickly when their health declined. Baptist spends about \$156 a day per patient — that's \$4,680 a month — to house, feed and provide medical and other care. About 40 percent of the patients in the Baptist nursing home are on Medicaid. The others — "private payers" — foot that bill out of pocket.

Wells said it is a common misconception that those who end up depending on Medicaid get into that position because they were financially irresponsible.

David Loyd, a retired physics professor and former dean at Angelo State University who now serves on the board that oversees Baptist's endowment, said his mother spent about \$100,000 in savings in 18 months living at Baptist's Sagecrest Alzheimer's Center — a facility separate from the nursing home that is more expensive because the care offered is more extensive.

"That's the way a lot of these people get on Medicaid," said Loyd, whose father also spent time at Baptist. "They spend down every penny they have and when it's gone, Baptist Memorial doesn't kick them out."

* * *

The program that has been a saving grace for these elderly citizens is now under examination for cuts by a budget-conscious Legislature.

It is cut by 10 percent in base versions of the 2012-2013 state budget lawmakers are working to fine tune in the face of a shortfall of up to \$27 billion. State leaders — and many others, regardless of political affiliation — see the program as "financially unsustainable" and in dire need of reform.

State Sen. Robert Duncan, a Republican from Lubbock who represents San Angelo as part of Senate District 28, said Medicaid is one of the biggest factors contributing to the state's economic woes, including a built-in "structural deficit."

With Medicaid already making up 28 percent of the state budget and costs expected to increase exponentially as the population grows and federal health care reform takes effect, Medicaid reform has been a hot topic in the Legislature this session.

Research from the Texas Public Policy Foundation, an Austin-based conservative think-tank, presented at the Capitol last week shows that the Medicaid program will cost the state \$14 billion extra by the time the Legislature convenes again in 2013 — an increase from 28 percent to 46.6 percent of the overall state budget.

"The numbers are just extraordinary," said Arlene Wohlgemuth, the foundation's executive director and a former Republican state representative. "And the caveat is, that's under current law, assuming the tremendous expansion, about a 55 percent increase in population for the Medicaid program under Obamacare. But even without Obamacare, if it were to go away tomorrow, it would still cost the state more than \$10 billion next session."

While there is bipartisan agreement that the program needs to be fixed, the real disagreement is over how to reform the program — and what to do in the meantime.

An analysis released last week by the progressive Center for Public Policy Priorities, an Austin-based policy research organization that advocates for low- and moderate-income Texans and that has spoken out against state leaders' "cuts-only" approach to the budget deficit, shows that the proposed Medicaid cuts would cost each county millions.

It shows cuts proposed in the House version of the base budget places Medicaid funding \$18 billion short of "the amount needed to maintain current benefits" — and \$118 million of that amount would come from Tom Green County.

* * *

Baptist Memorials already faces about a \$1 million gap in Medicaid reimbursements each year. It currently gets \$126 a day per Medicaid patient — that's \$30 less than its cost. The nonprofit organization funds the shortfall through its endowment and other donations. If the proposed 10 percent cuts go through, Wells said that amount will increase by another \$1 million.

Noting that Baptist already faced a 3 percent going into this year and has implemented an informal hiring freeze in some areas, Wells said the magnitude of the proposed cut would force Baptist to look at reducing its staff of about 290, the majority of whom are "hands-on," which would indirectly reduce the quality of care — or to gradually phase out Medicaid patients. About 60 percent of Baptist's annual expenditures are made up of staff salary and benefits.

"We're going to continue on, we'll figure it out," Wells said. "But we'll have to whittle something down and that's going to give people fewer choices."

The \$1 million Medicaid gap Baptist already deals with is made up primarily of staffing costs — but it also opts to provide better quality food and medical equipment, which Wells said officials feel "ethically obligated" to provide.

For example, Baptist spends several hundred dollars more on specially designed pressure-relieving mattresses that help prevent bed sores. These are the last kinds of things Baptist would choose to cut, Wells said.

"I just don't know how you could do that," Wells said. "It's not always about Cadillacs, but we don't want to give everyone a Pinto either."

Wells said the staff already has been reduced by about 25 during the past two years and that in the face of the budget crunch, it has tried not to find replacements for certain positions as they become vacant.

A few years ago, after opening the "Green Houses" — private, nurse-staffed residences for Sagecrest patients — and seeing how much better the quality of life was for residents, Baptist converted all the semiprivate rooms in the nursing home facility to private rooms, cutting its overall capacity by about 60.

Wells said all patients receive the same care and the same kind of privacy regardless of whether they are private pay or on Medicaid.

"Staff don't even know who is private (pay) and who is on Medicaid," he said, adding

that Baptist doesn't want to revert to semiprivate rooms.

Expressing confidence in San Angelo's elected state officials, Wells said Baptist officials are hopeful that the Legislature will find "some kind of compromise" that will help prevent them from having to sacrifice the quality of care — or force them to turn people away.

Stemen, who oversees the nursing staff of more than 70 nurses and nursing aides and inspected nursing homes for 15 years before being hired at Baptist, said she is concerned about the effect staffing cuts would have on the quality of care.

"We don't want to focus on the money — that's not realistic — but we also don't want to lose sight of what we do," Stemen said.



© 2011 Scripps Newspaper Group — Online