



The man who would remake Medicaid in Texas: Health chief Thomas Suehs has a reform plan, wants state waiver from Obamacare to implement it

Wednesday, Jun 08, 2011, 09:01AM CST

By Mark Lisher



SUEHS

Even as the Legislature was carving more than \$11 billion out of what had been his \$60 billion biennial budget, [Thomas Suehs](#) kept his attention fixed on Medicaid.

The historic cuts to five agencies and more than 50,000 employees overshadowed, but could not obscure a Medicaid system that would eventually bankrupt not only the department of Health and Human Services, its executive commissioner warned at the start of the session, but the entire state.

The [Patient Protection and Affordable Care Act](#) guaranteed that as many as 6.5 million uninsured Texans would hasten the bankruptcy if nothing were done, Suehs says.

Texas is in full revolt over the Affordable Care Act, joining 26 other states in a lawsuit to overturn it now making its way to the Supreme Court. Not content to wait for the outcome, conservatives in the Legislature drafted [bills still alive in this special session](#) to impose state reform on Medicaid and to enable Texas to create its own health care program by forming [health care compacts](#) with other states.

And if the health care act isn't stopped, Suehs is faced with what he says is an untenable deadline of 2014 for the implementation of a mammoth law whose ramifications are little understood.

"I don't think the goals of the Affordable Care Act and the state of Texas are incompatible, but not in the time frame expected of us," Suehs says. "The Affordable Care Act is unthinkable without Medicaid reform, and we don't have time for the reform before the act kicks in."

Suehs says this without a trace of panic, in the manner of a man who has spent a lifetime mastering budgets public and private. Medicaid is not, contrary to what people on both sides of the issue think, in crisis, Suehs says.

"I've said this over and over: There is enough money, local, state and federal money to fund health care in Texas and in this country," Suehs says. "We have for a long time been spending it poorly."

To prove it, Suehs developed a five-year plan for consolidating Medicaid funding streams and other reforms he said would save the state and the federal government \$60 billion. The plan and those savings make up the core of [House Bill 13](#) by Rep. Lois Kolkhorst, R-Brenham, which has been placed on the calendar for consideration in the special session.

HB 13 asks the federal government for a waiver from the Affordable Care Act and for a block grant that would allow Texas to apportion Medicaid without federal restrictions. His decisiveness on reshaping Medicaid is among the chief reasons Gov. Rick Perry thinks that Suehs, who he appointed and 2009 reappointed this year, is the right person to lead Health and Human Services into an uncertain future.

"He (Perry) was also looking for someone who could be forward thinking, and who had a vision of what Medicaid should look like in the future in order to continue providing services to the Texans that need them," Lucy Nashed, the governor's spokeswoman, says. "The only way to control Medicaid growth is for Congress to repeal Obamacare, and give states a block grant, which would allow us to transform Medicaid into a system that reinforces individual responsibility, eliminates fragmentation and duplication, controls costs and focuses on quality health outcomes."

Sometimes lost in his focus on cost control is how deeply his personal life informs his decision-making on those quality health outcomes. Suehs doesn't look or act like the chief executive making \$210,000 to lead one of Texas' biggest enterprises

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He is plainspoken and direct. He'd prefer to be called Tom. Rather than the theoretical, Suehs, 59, likes to speak from what he has seen or experienced. He carries himself in a way that is sure to rumple his suit. Colleagues and friends say he is quietly but determinedly spiritual.

Hanging out from the right cuff of his suit is a medical alert bracelet for atrial fibrillation, an abnormal heart rhythm that is one of the leading causes of stroke. Suehs nearly died and was paralyzed on his left side by a stroke in 1998. His recovery left him with the conviction that health care was best when supported by a strong family and community network.



Suehs, right, grills steaks at an event to recognize agency staff in Larrpasas held July 20, 2010.

Suehs and his wife, Christine, have been immersed in a health care system that repaired the bilateral club feet of Michele, the 17-year-old daughter they adopted from Russia. The surgeries led to serious problems with her auto-immune system that were first incorrectly diagnosed as lupus.

At the dinner table growing up, Suehs listened to the stories told by his mother, a public health nurse in Castroville, west of San Antonio. Now 91, his mother is cared for in a nursing home system paid for through Medicare and Medicaid and overseen by her son's agency.

"I consider myself an advocate, but I'm realistic, too," Suehs says. "I think your personal life always plays a role in how you see things."

Work in private, public sectors

Going out and seeing things firsthand is what sets Suehs apart from other state department heads, Tim Graves, the president of the [Texas Health Care Association](#), says. Graves first met Suehs 30 years ago when Graves worked for the state Legislative Budget Board. Suehs hired Graves in 1995 when Suehs was the president of the association.

"In the time I've been here Tom has been out visiting nursing homes, meeting with eligibility officers, taking the time to see what the people of Texas really need," Graves says. "The key thing to me is he has a keen grasp of how the numbers work, but he understands the number of people that lie behind the numbers."

Suehs has spent time in West Texas hospitals, and it was his understanding of the different health needs in rural Texas that helped convince the Legislature in this session to change the law to allow small hospitals to hire their own doctors. "That was a major, major accomplishment."

Suehs' perspective has been broadened, too, by having moved from state bureaucracy into the private health world and back again. He started as a budget and planning specialist in 1973 and rose to associate commissioner for budget, planning and management in what was then the Texas Department of Human Services.

Suehs was deputy commissioner for management and finance for the Texas Department of Mental Health and Mental Retardation from 1985 to 1989. For 10 years he represented nursing homes as the executive director of the health care association and nearly five years serving as a vice-president and consultant for Coyle Kelly & Associates assisting public administrators on business regulation and economic analysis.

When he came back to state government in 2003, it was as the financial services deputy commissioner for the Texas Health and Human Services Commission. When executive commissioner Albert Hawkins retired, Perry elevated Suehs.

Nashed says the governor has been particularly pleased with the improvements Suehs has brought to what used to be called the food stamp program, now the Texas Supplemental Nutrition Assistance (SNAP) program. Suehs took a firmer hand in [a system roundly criticized by the state Auditor](#) for being outdated and inefficient.

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A better mousetrap?

Medicaid, Nashed said, is where Suehs will be tested.

“The Medicaid program in its current form is unsustainable, and the next few years will be critical, both on the state and federal level, for the future of Medicaid,” she says. “The legislature’s actions during the regular session and the proposals being addressed during the special session include measures for cost savings and improving quality of care, and HHSC will be on the forefront of implementing these measures and transforming health care in our state.”

[Arlene Wohlgenuth](#), director of the Center for Health Care Policy for the conservative Texas Public Policy Foundation, says Suehs has a grasp of the need to get state control of Medicaid, to tailor benefits to a Texas rather than an ill-defined national demographic. The funding system, under the federal thumb, is sorely in need of reforming, she says.

“I think Tom Suehs knows all too well the implications that face the state if we do nothing to fix Medicaid,” Wohlgenuth says. “From what I’ve seen, I think he knows a better way to build a mousetrap.”

Whatever its construction, no effective trap can be built by the federally prescribed 2014 deadline, Suehs says. As [Medicaid has grown and grown more complicated](#), federal funding streams have been added, none of them coordinated, none of them transparent, Suehs says.

For long-term care alone in Texas, there are 13 different ways to pay independent of one another, he says.

In 1970, Texas spent a little less than \$137 million on its Medicaid program, \$47.6 million of it from state taxpayers. Last year, Medicaid in Texas cost an estimated \$27.3 billion and represented roughly a quarter of all state spending.

While estimates of the [impact on the state budget](#) vary by political point of view, both sides, unlike Suehs, are unafraid to use the word crisis.

Suehs says he believes all of the pertinent constituencies have come to recognize Medicaid must be fixed. The problem is the fix needs five to 10 years, not two or three. And it won’t happen if the states are buried deep in the ash of the Affordable Care Act volcano.

Suehs is hopeful the Legislature will pass HB 13 and ask for the waiver. If not, he expects that Gov. Perry will ask the Department of Health and Human Services on behalf of Texas sometime later in the summer.

Having recently talked to Kathleen Sebelius, Health and Human Services secretary, and knowing that [states have been slow](#) to move on the Affordable Care Act, Suehs says he is optimistic Texas will get some federal latitude.

For the man Graves says is most effective when juggling a dozen projects at one time, this is not a job Suehs intends to leave unfinished.

“The governor seems to be happy with my performance so far,” he says. “I’m going to be around as long as I feel there is a chance of changing this system.”

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