Supporting Older Texans & the Aging Services Workforce
Policy Priorities for the 88th Texas Legislative Session

Fund Medicaid to Ensure Access to High-Quality Nursing Home Care for Older Texans

Medicaid is an essential source of coverage for long-term services and supports in Texas – covering 62% of older Texans living in nursing homes. The impact of COVID-19, record high inflation and an unprecedented workforce shortage threatens access to care and puts high-quality nursing homes at risk of closure.

Fiscal estimates shared by Texas HHSC in June 2022 highlight the growing cost of care and current shortfall. Based on the state’s methodology, the Medicaid reimbursement rate for nursing facility care is underfunded by $123 per resident per day on average.

LeadingAge Texas supports a Medicaid payment system that promotes accountability, rewards high-quality care— and drives toward long-term improvement across the field. The Legislature must ensure older Texans have access to care in their communities when they need it.

Recommendations:

- Appropriate the general revenue necessary to adequately fund nursing home care for Medicaid beneficiaries based on HHSC’s Medicaid rate methodology.
- Strengthen the Nursing Facility Staff Rate Enhancement Program.
  - Appropriate $6,190,384 GR ($15,425,824 AF) for the biennium to fully fund the Direct Care Staff Rate Enhancement Program in SFY 2024-25.
  - Appropriate additional funds to increase the dollar amount awarded per level of the program (currently $0.40). This amount has not been adjusted since the program began in 2001. Increase the dollar amount awarded per level based on inflation and wage growth over time to increase participation in the program.
  - Pass legislation directing recouped funds back to high-performing nursing homes. Currently, recouped dollars are directed to GR not the program. For program year 2020, HHSC estimates $21.1M in funds recouped ($17.1M recouped in 2019). These funds should stay in the program and be used to support nursing facilities.
Support Initiatives to Rebuild the Long-Term Care Workforce

Before the COVID-19 pandemic, Texas faced a shortage in its long-term care workforce that threatened access to quality care and services. The pandemic exacerbated this threat making it critical the 88th Texas Legislature act to strengthen the long-term care workforce and protect the most vulnerable Texans.

Recommendations:
- Support HB 104 (Klick) to create a student loan repayment assistance program for nurses that commit to working in nursing homes.
- Support SB 244 (Kolkhorst) to reform and extend Texas’ existing nursing education programs.
- Support initiatives to promote careers in aging services and build an adequate pipeline of nurses to care for older Texans in long-term care settings.

Ease Regulations that Increase Costs and Distract from Patient Care

Administrative and regulatory burdens have continued to increase for long-term care providers. Paperwork and reporting obstacles get in the way of providers spending time with patients and increase costs. Regulations should be balanced with a primary focus on patient care not checking a box. The existing regulatory approach continues to increase the cost of care for providers and consumers.

Recommendation:
- Support regulatory reforms that streamline regulations, remove unnecessary burden and reduce costs to improve the patient experience.

Protect Property Tax Exemptions for Charitable Organizations Serving the Elderly

Property tax in Texas is a locally assessed and locally administered tax. To qualify for a property tax exemption, a not-for-profit organization must be engaged primarily in performing one or more of the statutory charitable functions outlined in Tax Code §11.18.

Not-for-profit senior housing providers and retirement communities are primarily faith-based mission-driven organizations committed to serving older Texans in need. In addition to permanent housing, these organizations offer various social, healthcare, and educational services that improve the lives of their residents, families, and caregivers.

Unfortunately, some organizations have had their property tax exemptions challenged or revoked despite the substantial benefits these organizations provide to the citizens of Texas, and despite the various ways these organizations address obligations that would otherwise fall to the State. Such determinations are made possible by ambiguity in the Tax Code.

Recommendation:
- Support legislation that creates uniformity for charitable organizations serving the elderly by improving language and clarifying the requirements for exemption, like those applied to charitable hospitals.

Continue to Defend Tort Reform Provisions

In 2003, medical liability reforms were passed to protect both providers and patients. These reforms have successfully reduced lawsuits and liability costs increasing the number of quality providers who specialize in geriatric medicine and aging services.

Recommendation:
- Continue to support these medical liability reforms to ensure adequate access to high-quality care.