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Conference Committee Looks For Cuts

Veto threat of Quality Assurance Fee forces legislators to find funds for Texas nursing homes

(AUSTIN)//The Senate-House Conference Committee on the Budget today began looking for \$175 million in cuts in the 2002-03 budget in order to fund nursing homes following Governor Rick Perry's announcement that he will veto a plan to help the Texas nursing home industry avert a looming crisis. The cuts are contingent upon final revenue estimates expected next week.

Critical nursing home rate increases were not addressed in the budget because the Texas Senate took emergency action last week to address concerns in the Texas nursing home industry by proposing a Quality Assurance Fee. This fee could provide a continuous, stable funding stream to increase nursing home attendant wages and increase the quality of care for our elderly without dipping into the General Revenue Fund.

Governor Perry, however, has threatened to veto SB 1839, legislation creating the Quality Assurance Fee. Without the fee, legislators must find \$175 million in General Revenue to ensure nursing homes across Texas do not close their doors.

"Since we cannot rely on the Quality Assurance Fee to help our nursing homes, we must find the money elsewhere in the budget," said Senate Finance Chairman Rodney Ellis (D-Houston). "That means we have to take out our red pens and start looking for places to cut, because if we don't find the money, nursing homes are going to start closing their doors. Texas seniors cannot wait any longer."

"This really puts us behind the 8-ball," said Representative Garnet Coleman (D-Houston). "I think it is extremely shortsighted of Governor Perry to kill a vitally-needed proposal without offering any alternative solutions or any leadership. To pit the needs of our elderly citizens against the needs of our children is just irresponsible."

"Legislators are justifiably proud of our funding of Medicaid and other priority health and human services," said Senator Judith Zaffirini (D-Laredo). "My commitment is to protect programs for those who cannot advocate for themselves."

Budget conferees announced that every agency and every program in the 2002-03 budget would be reviewed in order to find cost savings. The revenue would then be dedicated to increase nursing home reimbursements.

"The problems facing our nursing homes are very complex," said Senator Chris Harris (R-Arlington). "Providing additional funding to these homes is imperative, but only if the legislature is willing to fix other problems. This will ensure that our funds are going to improve care for residents, and not pay for insurance or trial lawyer fees."

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