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**With FMAP Delay, Recession, Pressure on State Medicaid Programs, African-American and Hispanic Seniors More Likely to Face Problem Accessing Quality Nursing Home Care**

*New Alliance Analysis Finds Over 40% of Minority Residents*

*Live in High Medicaid Census Facilities;*

*Long Term Care Resource Crisis Most Prevalent in Facilities Throughout Southern, Eastern States*

**Washington, DC** – With the urgent extension of federal Medicaid relief (FMAP) unresolved -- coupled with the ongoing national recession and growing pressure on state Medicaid budgets -- a new [Alliance study](#) of the nation's Medicaid program finds minority skilled nursing home residents may be disproportionately impacted by shortfalls in Medicaid payments, as African-Americans and Hispanics are more likely to live in skilled nursing facilities that have high percentages of Medicaid residents. The research is featured in the latest version of Care Context, an Alliance educational product created with analytic support from **Avalere Health**, a non-partisan healthcare advisory firm.

Forty percent of all minority skilled nursing facility residents live in facilities with large Medicaid populations. Compounding the already grim cumulative funding squeeze, a recent *Eljay* study found Medicaid cumulatively underfunded the actual cost of providing quality nursing home care by \$4.7 billion in 2009 – thus underscoring the gravity of Governors' ongoing state fiscal crises and skilled nursing facility residents' challenge accessing care.

The new Care Context, entitled "Medicaid Support for Nursing Facility Care: At a Crossroads," illustrates geographical strains as well. Facilities classified as lower-tier based on resources and Medicaid resident population are more prevalent in the south and east. Louisiana, Mississippi and Georgia have the highest percentage of resource-poor facilities (>36.63%). States with the second highest percentage of resource-poor facilities (12.03% -- 23.18%) include Texas, Arkansas, Illinois, Kentucky, Tennessee, North Carolina, South Carolina, West Virginia, Pennsylvania, New Jersey, New York, Massachusetts and New Hampshire.

Prominent Harvard University health care researcher David Grabowski has observed that "quality of nursing home care may suffer if budget shortfalls force state legislatures to freeze or reduce nursing home rates" the new Care Context points out that "facilities with fewer resources may be driven out of business, which will disproportionately affect non-white residents living in poor communities."

“The temporary FMAP increase now pending in Congress is vital to protecting every seniors’ ongoing access to the skilled nursing and rehabilitative care they require and deserve,” said **Alan G. Rosenbloom, President of the Alliance**. “But it also is essential for every Member of Congress to act upon the fact that economically-disadvantaged nursing home patients, many of whom are minorities in rural and inner-city areas, need Congress to expedite passage of FMAP funding, which will make the critical difference in preserving America’s health care safety net.”

**Ellen Lukens, a Director at Avalere Health**, and lead author of the analysis, pointed out that while patient acuity is rising and skilled nursing facility payment rates are falling relative to the cost of care, research increasingly points to the important relationship between Medicaid rate levels and quality. “Where rates are relatively high, many nursing homes perform better on key outcome measures, such as hospitalization rates,” she said. “Medicaid rates have implications for residents’ care, particularly in those facilities with high Medicaid concentrations where there is limited opportunity to cross-subsidize with funding from other payers – such as Medicare or private payments. Where there is limited ability to cross-subsidize due to a high concentration of Medicaid residents, facilities may perform more poorly on quality metrics.”

Observed Rosenbloom: “The fundamental health policy dilemma requiring resolution is the fact Medicaid is almost wholly dependent upon Medicare and other funding sources to augment its increasing inability to adequately serve vulnerable populations in need of care. Coupled with federal Medicare cuts and regulatory changes totaling nearly \$27 billion in funding reductions over ten years, there is no light at the end of the tunnel for seniors and those who provide their care.” The National Association of State Budget Officers, he noted, recently reported states face a collective \$55.4 billion shortfall in FY 2011, and a combined \$136.1 billion in deficits over FYs 2010-2012. “This is simply not an eldercare financing crisis that can be papered-over or pushed to the policy back burner,” concluded the Alliance leader. “Congress must act on FMAP, and act now.”

Previous issues of Care Context focused on rehospitalizations and their relationship to skilled nursing facilities. Care Contexts are available for free download at <http://www.aqnhc.org>.

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