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For Immediate Release

Health Care Groups & Caregivers Call for Bipartisan Action to Save Hospitals, Nursing Homes and Other Services

Potential cuts put services for vulnerable Oklahomans on the chopping block

Health care groups representing hospitals, nursing homes, people with disabilities and mental health facilities today asked the Oklahoma Legislature to prevent any further cuts to the state's Medicaid program. Providers urged lawmakers to fill the current budget hole – more than \$200 million – by passing a \$1.50 per pack cigarette tax increase during the upcoming special session. A \$1.50 cigarette “fee” was passed earlier in 2017, but ruled unconstitutional by the Oklahoma Supreme Court.

Health care groups emphasized the need to pass a cigarette tax with a three-quarter vote majority, putting the new tax into effect immediately. A simple majority would send the measure to a vote of the people in late 2018, failing to address the state's immediate budget crisis and putting the state in an even deeper hole.

Oklahoma Hospital Association President Craig Jones said hospitals have already suffered serious consequences under years of budget cuts, and immediate passage of the cigarette tax represents the best hope of saving Oklahoma's health care infrastructure.

“Since 2010, Medicaid and Medicare have cut payment rates to Oklahoma hospitals by more than \$489 million annually,” said Jones. “The results have been predictable: several rural hospitals have closed their doors, nine have declared bankruptcy and many rural facilities have eliminated key services and treatments, and therefore jobs, further exacerbating access to needed services and forcing patients to drive greater distances for care.”

“Luckily, the Legislature knows how to fix this,” Jones continued. “The passage of the cigarette fee earlier this year was a blueprint for how to move forward. Now we just need lawmakers to work together on a version that passes Constitutional muster.”

Oklahoma Association of Health Care Providers President and CEO Nico Gomez said that over 100 nursing homes have been forced to close their doors in recent years because of budget cuts.

“We aren’t on the brink of a crisis; we are in the middle of one,” said Gomez. “Nursing homes provide care for sick, elderly residents trying to live with comfort and dignity. Those services are in jeopardy because many of our homes are teetering on the brink of insolvency. We need immediate assistance. It can’t wait until next year, and we certainly cannot sustain any kind of cut.”

Nursing homes are uniquely vulnerable to cuts in the Medicaid budget because 70 percent of their residents pay their bills with Medicaid. Oklahoma already has one of the lowest reimbursement rates in the nation, meaning the average nursing facility loses approximately \$300,000 annually in unreimbursed Medicaid costs. Gomez said the profession cannot sustain another cut of any magnitude without seeing multiple homes forced to close their doors.

Mental health facilities have also been hit hard in recent years, even as demand for services has increased. Randy Tate, CEO of the Oklahoma-based mental health center Northcare, said this was the worst time to undercut support for services.

“We are in the midst of one of the worst opioid crises in the nation,” said Tate. “Last year Oklahomans died from accidental drug overdoses at a rate that is almost 70 percent higher than 2007. It’s clear we need a greater commitment to drug treatment and mental health services, but instead we are being threatened with more cuts. We are pleading with our lawmakers to do the right thing, work together and find a way to fund mental health and substance abuse treatment. There are, quite literally, lives hanging in the balance.”

Budget cuts have significantly strained services for Oklahomans with developmental disabilities (DD). The Department of Human Services reports over 7,500 individuals with disabilities are on a waiting list for state support. Most can expect to wait well over a decade, leaving family caregivers with considerable financial, physical and emotional strain. In addition to the waiting list, the providers of developmental disability services have already sustained cuts. Much like the nursing home providers, providers of DD services are on the edge of closing their doors. Agencies will not be able to sustain another cut in their reimbursement rates.

“Individuals with intellectual and other developmental disabilities move from ‘valued’ to ‘vulnerable’ when appropriate supports are not in place,” said parent advocate Wanda Felty. “For all the claims legislators make about championing those with ‘special needs,’ it turns out children like mine aren’t so special after all --- as reflected in the state Legislature’s budget decisions. We need our elected leaders to step up to their obligations so that Oklahomans with disabilities have genuine opportunity and safe lives.”

Providers emphasized that, if the cigarette tax does not pass, lawmakers have a duty to explore alternatives.

“We have continued to support our legislators as they pursue a popular, viable option in the cigarette tax,” said Gomez. “If partisan or electoral politics kill that proposal, we need our lawmakers to find another solution. It’s not good enough to just say, ‘we tried’ and go home. Oklahomans are watching to see whether our lawmakers are willing to work together to fix this, or are willing to let core government services collapse for political reasons.”

In addition to generating revenue to shore up the state's health care services, a \$1.50 per pack cigarette tax increase is expected to prevent 28,200 Oklahoma kids from ever becoming smokers and to reduce the state's annual smoking-related health care costs by over \$1.6 billion.

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