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HHS Cabinet Secretaries Call for Audit of Nursing Homes' Books

New Mexico's Health and Human Service Cabinet Secretaries Thursday called for an audit of nursing home finances in the state following the broadcast of advertisements by the New Mexico Health Care Association aimed at creating fear among nursing home residents and their families.

The secretaries questioned the appropriateness of the association possibly using Medicaid funding to pay for the ads and questioned whether these ads, which inflict emotional distress on residents and their families through distortions, should be investigated.

"The New Mexico Health Care Association has continually fought legislative reform that would improve care and guarantee that Medicaid funds are put to their best use," Aging and Long-Term Services Secretary-Designate Michelle Lujan Grisham said. "Many of these facilities make huge profits and spend money on administration and ads. Now they're complaining about fees. We want to know where this money goes."

An Albuquerque nursing home recently paid millions of dollars to settle a wrongful death suit while criminal charges have also been filed against another nursing home alleging abuse and neglect of residents. The Department of Health and Aging and Long-Term Services has for years identified abuse, neglect and exploitation in New Mexico's long-term care facilities.

"Most nursing homes receive millions of dollars in state and federal funding. They should be held accountable for the use of that funding particularly when those dollars are taken from direct care to protect their own profits," said Gov. Bill Richardson. "They have put profits before patients."

The ads misrepresent a bill supported by Governor Richardson that would generate \$22 million in additional revenues for Medicaid. The bill has received the support of House and Senate leadership.

"It's imperative that the nursing home bed surcharge bill pass to protect New Mexico residents who rely on Medicaid for their health care needs," Human Services Secretary Pam Hyde said.

It is very disappointing to me that instead of working with the administration to assure protection for all New Mexico residents, especially the frail and disabled, members of the industry are using fear to manipulate the people and families they are serving," Department of Health Secretary Patricia Montoya said. "I would hope they would be more focused on quality of care."

The bill, HB 395/SB 385, would create a surcharge for occupied beds in nursing homes, residential treatment centers and intermediate care facilities for the mentally retarded.

This bill will also increase the rates paid to these facilities for Medicaid beds by roughly six percent in order to help cover the surcharge paid on non-Medicaid beds.

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