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FOR IMMEDIATE RELEASE

NEWS

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PHCA: House Republicans' budget preserves mandated services for Pennsylvania's frail and elderly in nursing homes

HARRISBURG --- The state budget proposed by House Republicans this week helps to preserve the safety net for the frail and elderly in nursing homes, said Stuart Shapiro, MD, President and CEO of the Pennsylvania Health Care Association (PHCA).

“Our state House members recognized that the care of our most vulnerable citizens must remain a priority amid difficult financial decisions,” Dr. Shapiro said during a taping of “Pennsylvania Newsmakers,” a statewide public affairs program that begins airing this weekend.

PHCA had been advocating to legislators not to further cut nursing home funding, as Pennsylvania’s nursing homes have been under-reimbursed nearly \$1 billion over the past eight years for the care of Medicaid residents, leaving many nursing homes very near a breaking point.

Roughly two-thirds of the 81,000 nursing home residents rely on Medicaid for their daily living needs, and the gap between the cost of care and what the state pays for that care is growing exponentially. The average dollars lost per day on each Medicaid resident in 2010 increased 9 percent, from \$13.88 to \$15.13 per day, or more than \$5,500 per resident per year.

Dr. Shapiro explained that nursing homes are different than other health-care providers because they cannot shift costs to compensate for Medicaid shortfalls.

“All health care providers lose money caring for Medicaid patients, but Medicaid patients comprise only a small portion of the patients served by hospitals, doctors and other providers. Therefore, they can make up for their small amount of Medicaid losses by charging more through their larger payers like private health insurance,” Dr. Shapiro said.

Nursing homes cannot do that – fewer than 14 percent of their residents are on Medicare, and fewer than 4 percent are paid for by private insurance. Nursing homes’ only option to make up for Medicaid shortfalls is to charge significantly higher rates to residents who pay for their care out of their own savings and assets.

“If you force these hard-working people to spend down their assets faster by charging them higher rates, ultimately they enter the taxpayer-funded Medicaid program sooner than they would have, and this makes matters worse in the future for Medicaid,” Dr. Shapiro said.

Dr. Shapiro also said that passing lawsuit abuse reforms would help to reduce costs for all Pennsylvania businesses, including hospitals and nursing homes.

Pennsylvania is nationally regarded as having the most favorable legal climates for trial lawyers, which inhibits economic growth and drives up the cost of services and goods, including health care.

“Out-of-state law firms come to PA and prey on our hospitals, doctors, nursing homes and other businesses because they believe they can get rich quick. These out-of-state lawyers don’t care about Pennsylvanians, our health, our goods or our economy. They only care about making money,” Dr. Shapiro said.

“Pennsylvania Newsmakers,” with host Dr. G. Terry Madonna, is one of the state’s premier politics and public policy television talk shows. The show will air regionally as indicated below:

- WGAL Channel 8 (Harrisburg and Lancaster) at 7:30 a.m. Sunday, May 15
- WBPH (Lehigh Valley and Philadelphia) at 8:30 p.m. Monday, May 16
- WKBS 47 (Altoona) at 11:30 a.m. Saturday, May 21
- WPCB 40 (Pittsburgh) at 11:30 a.m. Saturday, May 21
- CATV Channel 8 at 7 p.m. Tuesday, May 17 and 1 p.m. Wednesday, May 18

PHCA and the Centers for Assisted Living Management (CALM) are a joint statewide advocacy organization for Pennsylvania’s most vulnerable older residents and their providers of care. Members comprise for-profit, nonprofit and government providers. Together, they represent more than 330 long-term care and senior service providers that care for more than 33,000 elderly and disabled individuals. For more information call 717-221-1800 or visit www.phca.org or www.calmpa.org.