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NEWS

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Governor's Budget Falls Short of Meeting the Needs of Pennsylvania's Nursing Home Residents

Challenge Ahead in Budget Deliberations is to Ensure Strength, Viability of Entire Long-Term Care Continuum as First Wave of Baby Boomers Begin to Retire

Harrisburg, PA (Feb. 5, 2008) – The Governor's proposed budget, which includes no increase in funding for the care of Pennsylvania's most ill and elderly residents in nursing homes, jeopardizes their quality of life and threatens the viability of Pennsylvania's long-term care system.

"No one should be in a nursing home who doesn't need to be there, so we commend Governor Rendell for expanding home and community care for low-income seniors and disabled residents who are not sick enough to need a nursing home. But he did so at the expense of sicker, older Pennsylvanians who, every day, rely on nursing homes to provide them with high-quality, compassionate health care while also delivering a vibrant quality of life," said Dr. Stuart Shapiro, President and CEO of the Pennsylvania Health Care Association.

"It is reprehensible that there is a budget surplus, yet state government will not pay for the care of its most vulnerable residents in nursing homes," Dr. Shapiro said.

In Pennsylvania, two out of three nursing home residents are funded through Medicaid. State Department of Welfare regulations require that the cost of care of Medicaid nursing home residents be fully covered, yet for the past three years, the commonwealth has underfunded these residents by nearly \$287 million. Currently in Pennsylvania, Medicaid underfunding amounts to about \$12 per resident per day, or more than \$4,300 per resident per year.

The quality of care provided to nursing home residents has continually improved despite this underfunding, yet the Medicaid deficit does adversely affect elderly residents. For example, residents must cope with constant caretaker turnover since nursing homes cannot pay competitive wages and benefits. Activities that allow residents to enjoy a higher quality of life – such as special music, movies and community outings – have been reduced. And, nursing homes have been forced to delay capital improvements and beautification projects that would provide residents with a friendlier, more home-like atmosphere.

"PHCA looks forward to working with Governor Rendell and the Legislature to improve the budget outlook for nursing home residents in the coming fiscal year," Dr. Shapiro said.

Pennsylvania ranks third in the nation by percentage of population age 65 and older, behind Florida and West Virginia, and the Congressional Quarterly Report, "Caring for the Elderly," stated that nearly 70 percent of those turning 65 this year eventually will require long-term care.

The PHCA President and CEO also pointed out that throughout the budgetary process it will be essential to take into account efforts by the Bush Administration to significantly slash Medicare and Medicaid spending "and not lose sight of the inter-related nature of our state and federal budgets as they relate to our collective ability to protect the safety net that serves as a literal lifeline to many elderly Pennsylvanians." Dr. Shapiro added that President Bush is attempting to balance the federal budget on the backs of the elderly and poor.

"Now is the time we should be investing in and strengthening America's long term care infrastructure, which is essential for the quality long-term care and services relied upon by the Commonwealth's frail, elderly and disabled," stated Dr. Shapiro.

PHCA's members comprise for-profit, nonprofit and government providers. PHCA, along with its sister agency, the Center for Assisted Living Management, represents nearly 300 long-term care and senior service providers that care for almost 31,000 elderly and disabled individuals. For more information call 717-221-1800 or visit www.phca.org.

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