



STATE MEDICAID SHORTFALL FOR NURSING HOME RESIDENTS JUMPS NEARLY 17 PERCENT IN 2008

Commonwealth now shortchanges nursing homes \$5,000 per year per Medicaid resident

HARRISBURG (Oct. 26, 2008) – The gap between the cost of caring for Pennsylvania’s frail and elderly in nursing homes and what the commonwealth reimburses for that care under the Medicaid program jumped from \$11.91 in 2007 to \$13.92 in 2008 – a nearly 17 percent hike – according to a newly-released Eljay LLC analysis.

The report, “A Report on Shortfalls in Medicaid Funding for Nursing Home Care,” concludes the state now shortchanges nursing homes an average of \$5,000 per Medicaid resident per year, up from \$4,400 last year. Two-thirds of Pennsylvania’s nursing home residents are on Medicaid.

“The viability of our entire long-term care system is in jeopardy, both in Pennsylvania and across the nation,” said Dr. Stuart Shapiro, President and CEO of the Pennsylvania Health Care Association. “When the gap between the cost of quality care and state reimbursement for that care is growing so wide, it is only a matter of time – and a short time, I believe – until the funding deficit threatens access to care and undermines nursing homes’ ability to sustain hard-won gains in quality care and quality of life.”

Michael Wilt, Executive Director of the Pennsylvania Association of County Affiliated Homes, said county nursing homes are hit especially hard since they care for so many Medicaid residents.

“County nursing homes serve as the safety net for the most needy of Pennsylvania’s nursing home residents and local governments cannot continue to ask county taxpayers to subsidize their operations because of the failure at the state and federal levels to pay adequately for services provided,” Wilt said. “County nursing homes do an excellent job of containing costs while offering high quality of care but rate caps imposed on Pennsylvania nursing homes for the past

four years are making it impossible for even the most well managed and operated facilities to succeed.”

"Inadequate rates mean that government is passing on a hidden tax to hard-working staff in the form of lower wages and benefits," said PANPHA President and CEO Ron Barth. "It also hurts residents, who are forced to drain their life savings to pay for the bills the state refuses to pay."

To view the report, go to <http://www.phca.org/docs/Eljay2008MedicaidReport.pdf>.

PHCA is a statewide advocacy organization for Pennsylvania’s most vulnerable older residents and their providers of care. Members comprise for-profit, nonprofit and government providers. PHCA, along with its sister agency, the Center for Assisted Living Management, represents more than 310 long-term care and senior service providers that care for almost 33,500 elderly and disabled individuals.

PANPHA, an association of nonprofit senior services, represents more than 360 non-profit long-term-care nursing facilities, personal care homes, housing providers and continuing care retirement communities.

PACAH represents county owned and affiliated health care facilities in their ongoing efforts to provide the best possible comprehensive health care and the highest possible quality of life for individuals in need of short term skilled nursing and rehabilitation services as well as those individuals with chronic, long term health care needs. For more information about PACAH, visit www.pacahpa.org.

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