

Local and Regional

Commentary

Budget plan fails frail elderly

For '08-'09, Rendell keeps Pa. nursing homes short of needed funds.

**By Stuart H. Shapiro,
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Gov. Rendell, through his proposed 2008-2009 budget, is failing Pennsylvania's most vulnerable seniors. This budget flatlines funding for the frail, poor elderly who depend on medical assistance to pay their bills for nursing-home care. Legislators should abandon his approach to ensure that members of our "Greatest Generation" get the care they deserve.

Right now, Pennsylvania nursing homes are approaching a breaking point. The administration justifies its budget-balancing act by contending that nursing homes already are well funded. That's hardly the case, as the numbers don't lie.

The governor's office has said that nursing-home reimbursement has gone up 22 percent since Rendell became governor. While that is accurate, the truth is that cost of care has gone up 26 percent during this same period.

During the last three budget cycles, Pennsylvania has paid nearly \$290 million less than it owed, based on its own regulations, for the care of medical-assistance residents in nursing homes. Making matters worse, Gov. Rendell's proposed \$28.3 billion budget includes not even a cost-of-living increase for the coming year for our commonwealth's most ill and elderly residents.

Medical-assistance rates for nursing homes in Pennsylvania are below those of Delaware, Connecticut and New York, and virtually identical to those of Maryland and New Jersey. At the same time, our state ranks third nationally in percentage of the population 65 or older, and fourth in the number of residents 85 or older — the most intensive users of nursing-home care.

According to data from AARP, Pennsylvania nursing-home residents are older and sicker than the national average, and our nursing homes provide more registered nursing hours than our neighboring states of New Jersey, New York, Maryland, and Ohio.



Because our nursing homes care for sicker residents and receive lower reimbursement, they lose an average of \$12 per resident per day, or more than \$4,300 per year on every resident on medical assistance, according to the national accounting firm BDO Seidman.

Statewide, 65 percent of the 80,000 Pennsylvanians who rely on nursing homes for their daily living needs receive medical assistance. In Philadelphia, that number jumps to 74 percent.

When nursing homes lose that much money on three out of every four residents, they have no ability to shift these losses to private pay and insured residents as hospitals are doing. Thus, the commonwealth's chronic under-reimbursement is crippling its ability to provide quality care and quality of life for residents, or to retain qualified, compassionate caregivers.

Nursing homes have done what they can to reduce costs, and have even improved the quality of care while dealing with government under-reimbursement. State health data verify that. But

another year of inadequate funding could change that picture for many nursing homes and their residents.

Many already are struggling to meet the medical, physical and social needs of residents; most no longer can afford to invest in improvements. Some have had to close their doors; others are operating in the red.

Hospitals are now reporting that seriously ill residents on medical assistance sometimes have to wait for a nursing-home bed because the facilities can't afford to take them, as the result of low reimbursements.

For years, nursing homes have been asked to do more with less. Now, there simply is nothing left to trim without jeopardizing the high level of care we all want and expect for our loved ones.

While the number of nursing-home residents has remained constant over the last five years, the number of home-

care participants has doubled from 18,000 to 36,000, and the governor's budget proposes further increases.

Staying at home is certainly what most people desire, but for the most ill and elderly who need round-the-clock care, it's not realistic — or safe. These programs should be expanded, but not at the expense of nursing-home residents.

No one doubts the difficulty in putting together a state budget of almost \$30 billion, but the administration's cost-cutting approach of balancing the budget on the backs of the elderly in nursing homes is flatly wrong.

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