



NEWS

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PHCA: Administration's Failure to Approve Nursing Home Rate Increase Jeopardizes Well Being of Commonwealth's Most Vulnerable Seniors *Rate Increase Absolutely Necessary to Ensure Continued Access to Quality Care*

Harrisburg, PA – After learning the Rendell Administration has decided to forego approval of a rate increase to help ensure Pennsylvania's nursing homes can continue providing quality care in the face of a severe financial crisis, the Pennsylvania Health Care Association (PHCA) urged the Governor to reconsider his position in light of the fact the Commonwealth's most vulnerable seniors are being placed at risk.

“We urge the Governor in the strongest possible terms to reverse his decision, and to proceed with the nursing home rate increase while we continue to work with our federal legislators in Washington to fix the source of this financial crisis,” stated Alan G. Rosenbloom, President and CEO of PHCA. “We believe a more prudent course of action is to proceed with the rate increase while simultaneously working to ensure Medicaid funds owed to Pennsylvania are released as soon as possible. Our seniors' care needs should not be held hostage to inaction in Washington when, in fact, we have the ability in Harrisburg to alleviate this financial crunch until federal funds are released.”

At issue is the fact the Centers for Medicare and Medicaid (CMS), the Bush Administration agency responsible for disbursing Medicaid funds to states, has delayed the release of \$344 million in supplemental Medicaid funding intended to protect seniors' access to benefits and services, and to weather state budgetary crises nationwide.

PHCA, the Service Employees International Union (SEIU) and other advocacy organizations have warned for months that failure by CMS to approve and release these funds on a timely basis could precipitate draconian Medical Assistance benefit cuts, severe staff reductions, care access problems and even the possibility of facility closures.

Rosenbloom noted PHCA has been working closely with Senator Arlen Specter and Pennsylvania's U.S. House delegation to address the CMS funding delay: “We appreciate the fact so many Pennsylvania House members of both parties and Senator Specter are working to help precipitate the release of the Medicaid funds needed. Yet, in the meantime, Governor Rendell should help ensure Pennsylvania's long term care infrastructure remains strong, viable and capable of meeting seniors' complex care needs.”

PHCA is a statewide membership services organization representing more than 325 long-term care and senior service providers throughout the Commonwealth. Additional information about PHCA is available by calling 717-221-1800 or visiting www.phca.org.

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