

FOR IMMEDIATE RELEASE

December 8, 2005

## NEWS

Contact: Holly Lubart

(717) 221-7935

### **Healthcare Poll: Budget Policies That Slash Medicaid, Jeopardize Seniors' Care Quality Viewed Unfavorably by Pennsylvanians**

*PHCA Says Continued Medicaid Cuts Through 2006 Unrealistic, Untenable*

By Wide Margins, Democrats, Independents, Republicans Support More Spending for Nursing Home Care

**Harrisburg, PA** – Warning that Medicaid long term care funding cuts enacted throughout 2005 have undermined Pennsylvania seniors' access to quality nursing home care, the Pennsylvania Health Care Association (PHCA) released the results of a recent statewide poll from Terry Madonna Opinion Research showing widespread support among Pennsylvanians of all political persuasions -- in every region of the Commonwealth -- for higher spending on nursing home care for frail, elderly and disabled Pennsylvanians.

"To the detriment of elderly and disabled seniors throughout the Commonwealth, a variety of significant cuts to Medicaid-funded nursing home care have been enacted in 2005, and we intend to fight additional budget cuts in 2006," stated Alan G. Rosenbloom, President and CEO of PHCA. "Our central objective for the year ahead will be to ensure lawmakers understand the implications of continuing to implement budget cuts that undermine care quality, threaten local jobs, and jeopardize Pennsylvania's ability to care for seniors today and in the years ahead."

Madonna said, "The results of the poll clearly indicate the public is well aware that nursing home funding cuts negatively impact the quality of care seniors receive. It is noteworthy that Republicans, Democrats and Independents – in every region of the Commonwealth – overwhelmingly support additional funding for nursing home care, and this is an issue to be watched in 2006."

The poll of 804 Pennsylvania adults was conducted 10/11 – 11/9, with an error margin of +/- 3.5%.

Among key questions asked:

***"More than 15% of Pennsylvania's population is age 65 or older, and our fastest-growing age group is 85 and older. Over the next few years, do you think that Pennsylvania should spend more or less for nursing home care?"***

More: 78.9%  
Less: 3.7%  
Same/DK: 17.5%

78% of Republicans said "More" as did 81% of Democrats and 81% of Independents/Other.

***"If Medicaid funding for nursing homes was reduced significantly, do you think the overall quality of nursing home care would become better or worse?"***

Worse: 79.9%  
Better: 8.6%  
No Dif/DK: 11.4%

81% of Republicans said "Worse" as did 79% of Democrats and 92% of Independents/Other.

Since passage of the FY 2005-06 budget earlier in 2005, which clearly intended to increase Medicaid appropriations for nursing homes by 2.8%, Rosenbloom said the following has transpired:

- The methodology selected to implement the budget will cut payments to 39% of nursing homes, despite a common expectation that rates would increase modestly and despite the availability of an alternate methodology that would have met this expectation.
- The \$4 per Medicaid day inter-governmental transfer (IGT) payment has been eliminated without any advance notice to private nursing homes.
- The provider assessment supplemental payment will drop from \$7.05 per Medicaid day to \$4.17 per Medicaid day retroactive to July 1, 2005, primarily because the Administration has chosen to correct prior data errors by reducing payments to nursing homes.
- These changes apparently were made with no consideration of the impact not only of the decisions, but also of their timing with respect to the reasonable expectations of nursing homes and the business commitments they made based on those reasonable expectations.

The PHCA President and CEO also noted that the fastest-growing age group in Pennsylvania is individuals age 85 and older, who also are the greatest users of long term care services in general and nursing home services in particular. By 2015, this segment of the Commonwealth's population will increase 18%, our 65 and older population will increase 10%, and the percentage of our population who need long term care will increase 17%.

Stated Rosenbloom: "The Administration's current Medicaid payment policies will have a significant and adverse impact on both staffing and quality in the near term as well as the long term, and it is especially significant that these budget cuts are inconsistent with overwhelming public sentiment. Besides ignoring Pennsylvania's demographic realities, the ongoing Medicaid cuts will make the already challenging job of maintaining and sustaining nursing home quality gains more difficult – or, worse, possibly stop them all together."

Polling Methodology: The results contain the findings of interviews with 804 adult Pennsylvanians, conducted by Terry Madonna Opinion Research, Lancaster, Pa. The interviews themselves were completed by First Contact LLC, located in Easton, Md. The survey was conducted between October 11 and November 9, 2005. The sample error for the survey is plus or minus 3.5%- percent. Telephone numbers for the survey were generated via random digit dialing. Respondents were randomly selected from within each household. Final survey results were weighted to adjust for different selection probabilities and non-response. For a breakdown of demographic variables, please contact PHCA.

*PHCA is a statewide membership services organization representing approximately 300 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](http://www.phca.org).*

#####