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NEWS

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PHCA Echoes Senators' Concerns About Adequacy of Nursing Home Funding

More Questions Being Raised About Administration's Long Term Care Budget, Funding Strategy in Wake of Press Reports Citing "Faulty Math"

Harrisburg, PA – Noting a bipartisan group of Senate lawmakers have begun querying Budget Secretary Michael Masch about the funding adequacy and wisdom of the Administration's long term care policy, the Pennsylvania Health Care Association (PHCA) today said more questions were raised than answered in Monday's Senate Appropriations Committee budget hearing.

"There must be far more scrutiny of the Administration's long term care policy and how it will be funded and implemented, and it is notable there is growing bipartisan concern among lawmakers about whether Pennsylvania's most vulnerable seniors are being well served," stated Anne Wantz, interim CEO of PHCA. "There are many unanswered questions about the true costs of the home and community care effort, and how its unchecked growth and costs may be severely undermining facility care capacity."

During the budget hearing, Sen. Michael O'Pake (D-Berks) expressed his concern to Masch about the adequacy of nursing home funding in the Administration's proposed budget while Sen. Stewart Greenleaf (R-Montgomery) noted an undersupply of Medicaid beds in various areas of the Commonwealth. Sens. Edwin Erickson (R-Delaware) and Joseph Scarnati (R-Jefferson) also raised questions about cuts to nursing home care and the actual costs of home and community care.

The greater legislative scrutiny of the Rendell Administration's eldercare policies comes in the wake of a January '06 article in the *Pittsburgh Post-Gazette* that characterized the assumptions behind the policy as "faulty math."

Reported the *Pittsburgh Post-Gazette* on 1/22/06:

*"Surges in senior population, health-care costs and home-based services for the frail elderly have combined to squeeze Pennsylvania's finances, **putting unprecedented pressure on state officials to improve their long-term care strategy.** The Rendell administration has spent his two years in office expanding a Department of Aging program which uses federal-state Medicaid dollars, also known as Medical Assistance, to deliver more in-home services than the state's own lottery-funded system can provide to needy people older than 60.*

"The hope was that Medicaid expenditures for nursing home patients would stop climbing in excess of \$100 million a year as more people received care in their homes. That equation turned out to be faulty math, involving a sum of more than \$3 billion in Medicaid spending this year for Pennsylvanians' long-term care.

"In the space of three years, the near-doubling of the number of such people receiving home services has boosted that program's cost by more than \$200 million."

"Lawmakers now need to reevaluate long-standing claims made by the Rendell Administration that HCBS saves tax dollars, when in fact it squeezes and reduces the budget for the very facilities needed to care for the growing tide of seniors 85 and older - Pennsylvania's fastest growing age group," Wantz concluded.

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.

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