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May 18, 2006

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NEWS

PA Long Term Care Associations Oppose Rendell Veto of SB 997

PHCA, PANPHA Question Wisdom, Budgetary Priorities Behind Administration's Eldercare Policy; General Assembly Oversight Needed to Protect Interests of Most Vulnerable Frail, Elderly, Disabled

Harrisburg, PA – The leaders of the Pennsylvania Health Care Association (PHCA) and PANPHA which represent approximately two-thirds of the Medicaid nursing homes in the Commonwealth today joined to sharply challenge Governor Rendell's veto of legislation to reform and improve the Commonwealth's nursing home reimbursement system (Senate Bill 997), and questioned the Administration's commitment to making an appropriate investment in the state's current and future ability to properly care for the state's most vulnerable population of frail, elderly and disabled citizens.

Senate Bill (SB) 997, which was passed overwhelmingly by the legislature, amends the Public Welfare Code to block the ability of the Department of Public Welfare (DPW) to issue a new Medical Assistance (MA) rate system for nursing homes by July 1, 2006, without first going through the usual regulatory review process that includes oversight by the General Assembly.

"In light of the fact those 85 and older are Pennsylvania's fastest-growing age group, the Governor's veto of SB 997 not only allows DPW to avoid proper oversight and scrutiny of its proposal, it will undermine our current and future ability to provide seniors quality long term care and services," warned PHCA Interim CEO Anne Wantz. "And despite the Administration's assertion that there is a 4 percent budget increase for skilled nursing facilities, the Administration through its veto is ignoring the broader fact that the costs of providing quality care increased 8 percent last year -- and we project the same for this year."

PANPHA President and CEO, Ron Barth, stated, "The Governor's veto of SB 997 not only allows DPW to avoid being accountable to the legislative branch and the public at large, it also perpetuates a false nursing homes 'versus' home-and community-based services budgetary and policy debate, which is overly simplistic and simply wrong."

"It is not an either-or proposition," Barth said. "The Administration's own study in March concluded that Pennsylvania is currently experiencing the kinds of demographic changes that other states will not experience for another 10 to 15 years – and that institutional utilization rates in Pennsylvania are slightly *below* the national average if you account for our unusual age distribution." The PANPHA President and CEO observed that people in nursing homes are typically older than 85 with serious medical or cognitive conditions that require 24-hour professional care. "People who do not need this level of care should be afforded services in a more appropriate setting -- but we need both types of services."

In further expressing their opposition to the Governor's veto, the two long term care leaders said a key goal of the Administration and long term care stakeholder community must be to address the structural long term care cost crisis in which government reimbursements continue to lag significantly behind the steeply rising costs of providing quality care.

Wantz also said DPW's existing MA rate proposal makes significant changes to the current rate system and actually contains disincentives for nursing homes to care for individuals who are more acutely ill. "Many nursing home providers who care for a high proportion of acutely ill individuals will face losses in the millions of dollars," she warned.

We will continue to work with the Administration and the legislature to ensure that any new rate system is fair and equitable for nursing home providers.

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.

PANPHA represents more than 320 Pennsylvania long term care and service providers throughout Pennsylvania, including in-home, community-based, assisted living and skilled nursing facilities.

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