



## Pennsylvania Health Care Association

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**EMBARGO UNTIL 1 P.M.**

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### **Funding to Protect Commonwealth's Most Vulnerable Seniors Falling Short**

*Long-Term Care Advocates Rally at State Capitol for Adequate Support to Care for Pennsylvania's Rapidly Aging Population*

**HARRISBURG, May 22** – The growing gap between the cost of long-term care and Medicaid reimbursements threatens providers' ability to continue to deliver high quality care to the commonwealth's most vulnerable frail, elderly and disabled residents, Dr. Stuart Shapiro, President & CEO of the Pennsylvania Health Care Association (PHCA), told 450 nursing home workers at the state capitol on Tuesday.

The workers, who hailed from all corners of the commonwealth, visited state legislators and rallied for increased funding in the proposed 2007/2008 state budget to bolster a long-term care system that is already near a breaking point.

"For years, nursing homes have been forced to do more with less, and we are now at a place where they cannot afford any more cuts without jeopardizing their ability to provide quality care," Dr. Shapiro said. "Nursing homes already are having difficulty hiring and retaining their staff. Scaling back further means less one-on-one time with residents. That's less time helping them eat their meals, bathe, fix their hair, participate in activities or simply leave their room to visit friends. In other words, less time to give dignity to our Greatest Generation."

PHCA is asking legislators for a \$75 million – or 4 percent – increase over last year's Medicaid funding. Governor Rendell's proposed budget includes only about 1 percent increase, far less than the 6 percent inflation in health care.

"Four percent does not come close to covering the actual costs incurred by Pennsylvania nursing homes for caring for Medicaid patients, but 4 percent would sustain us for another year," Dr. Shapiro said.

On any given day in Pennsylvania, approximately 80,000 people are living in or recuperating in nursing homes. More than 65 percent of those beds are occupied by Medicaid residents.

On average, nursing homes lose \$13 per Medicaid resident per day, amounting to more than \$4,500 per resident annually.

Pennsylvania nursing homes have much at stake. The commonwealth ranks third nationally by percentage of population age 65 or older, and fourth in the percentage of residents age 85 or older — a segment of the population that comprises the most intensive users of nursing home care. By 2020, more than 25 percent of the state's population, or some 3 million Pennsylvanians, will be age 65 or older — a 50 percent increase in a little more than a decade.

Residents know all too well the need for quality long-term care. At the rally, Dr. Shapiro unveiled results of a new statewide poll conducted by Susquehanna Polling and Research showing strong public support for nursing home funding increases as a means of keeping pace with the rising annual costs of providing quality care. Nursing home costs have increased 27 percent between 2001 and 2005. During the same period, Medicaid reimbursements increased 18 percent.

The poll, conducted April 29 through May 3, corroborates the need for lawmakers to ensure resources are available to meet seniors' current and future long-term care needs. Among the key questions asked the of 700 registered Pennsylvania voters who took part in the poll:

*As you may know, as part of the 2007-2008 state budget deliberations, lawmakers are trying to find ways to balance the budget in the face of shrinking resources which means that many programs may have to be cut. How important is it to maintain adequate levels of funding for nursing homes in the budget - very important, somewhat important or not at all important?*

1. Very	486	69%
2. Somewhat	177	25%
3. Not at all	26	04%
4. Undecided	7	01%

*As you may not know, state funding for nursing homes is only projected to increase by one percent even though the costs to deliver quality care are increasing by more than five percent on an annual basis. Should state funding for nursing homes be increased at a higher percentage as a way to keep pace with the rising costs of providing this care?*

1. Yes	525	75%
2. No	105	15%
3. Undecided	64	09%
4. Refuse	5	01%

As part of his budget proposal, Governor Rendell is moving forward with an ambitious plan to increase the number of elderly and disabled who can receive care in their home financed with public dollars. In-home care represents one end of the long term care continuum, with nursing homes at the other end, and assisted living facilities in the middle.

PHCA supports the expanded use of home- and community-based services. However, Dr. Shapiro noted there is a mistaken notion that state resources can be saved by expanding HCBS. In fact, HCBS is a new and costly entitlement because of expanded long-term care eligibility and coverage for a broader population. The acuity level of most individuals being served through the HCBS program is below that of most nursing home residents.

“Facility care and home care are not mutually exclusive; they are complementary --- and each must be adequately funded as part of the entire long-term care continuum,” Dr. Shapiro said. “Better reimbursement is absolutely necessary to ensure continued high-quality services to our frail, elderly and disabled residents.

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