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NEWS

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PHCA Applauds Legislature, Rendell Administration for Budget that Increases Funding to Pennsylvania Nursing Homes by 3 Percent

CEO cautions, however, that increase doesn't keep pace with rising health care costs

Dr. Stuart Shapiro, President and CEO of the Pennsylvania Health Care Association (PHCA), today praised the Legislature and the Rendell Administration for approving a state budget that increases funding to nursing homes by 3 percent.

“Many legislators fought tirelessly for the nearly 80,000 elderly and frail Pennsylvanians who are living in, or recuperating in, the commonwealth’s skilled nursing facilities,” Dr. Shapiro said.

He cautioned, however, that the 3 percent funding hike does not keep pace with the 5 to 6 percent annual cost increase to all in the health care industry, and that PHCA will continue to work with legislators to ensure adequate funding next year.

Nursing home costs increased 27 percent between 2001 and 2005, but Medicaid reimbursements during that same time increased only 18 percent. Health care providers that treat a small percentage of Medicaid patients may be able to absorb the lower rates of increase, but nursing homes – where nearly two-thirds of all beds are filled with Medicaid recipients – cannot.

Pennsylvania ranks third in the U.S. by percentage of the population over age 65 and fourth by percentage of population over age 85, who are the most intensive users of nursing home care. Furthermore, a study published in Congressional Quarterly stated that nearly 70 percent of those turning 65 this year will need long-term care in their lives.

“Pennsylvania – like the rest of the nation – is bracing for a long-term care fiscal tsunami,” Dr. Shapiro said. “As a commonwealth, we must find a way to ensure that the entire continuum of long-term care, from home care to nursing home care, has the funding necessary to meet the needs of the people they serve. That truly is the greatest challenge confronting to our elected officials.”

PHCA members comprise for-profit, nonprofit and government providers. Overall, PHCA, along with its sister agency, the Center for Assisted Living Management (CALM), represents more than 300 long-term care and senior service providers that care for nearly 60,000 elderly and

disabled individuals across the commonwealth. Additional information about PHCA is available by calling 717-221-1800 or visiting www.phca.org

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