

INCREASE PERSONAL ASSISTANCE SERVICES (PAS) REIMBURSEMENT RATES **BY 8%**

ISSUE BACKGROUND

The last actuarial study on the cost of providing personal assistance services (PAS) in Pennsylvania's Medicaid program was a 2012 Mercer Study. That study was done quickly, relied primarily on OLT staff input, and recommended that the numbers be updated *the following year*. As a result of that study, rates were reduced in some parts of the state by almost \$4.00/hour.

From 2012 until 2022, PAS rates saw only two, 2% increases, meaning that some areas of the state remain well below pre-2012 rates. This is true even with the 1/1/22 addition of American Rescue Plan Act (ARPA) funding.

ADDITIONAL FUNDING IS NEEDED TO ENSURE PROGRAM SUSTAINABILITY.

- Medicaid reimbursement rates must cover all provider expenses (wages, overtime, training, PPE, background checks, health screenings, insurance, taxes, transportation, overhead, etc.), and providers cannot pass costs on to consumers.
- Demand for this in-home care is at an all-time high, increasing more than 25% in recent years, while demand for facility-based care has significantly diminished.
- In a recent PHA survey, 98% of homecare agencies reported turning away cases/referrals, with some reporting up to 40% of cases turned away.
- Current reimbursement rates – and the resulting average wage of **\$13.40** – make it impossible for PAS providers to compete for qualified caregivers.
- Reimbursement rates are not even close to keeping pace with the current cost of care, as costs for PPE, transportation, overtime, and other expenses continue to rise.
- Without a sustainable workforce, more Pennsylvanians will be forced to seek more expensive, less desired, facility-based care.
- To even begin to compete with other healthcare providers and private employers, reimbursement rates must increase at least 8%, with the goal of supporting a \$15.00/hour average wage.
- Homecare keeps people safe in their homes, where they want to be, with better outcomes, at half the cost of facility-based care.

CALL TO ACTION

Support an 8% increase to the “Medical Assistance – Community Health Choices” line item to increase funding for personal assistance services. Without it, homecare agencies cannot continue to provide quality care to seniors and individuals with disabilities in their homes.

RATES BY THE NUMBERS

Current FFS Rates in PA (including ARPA funding):

- Region 1 (Allegheny/Southwest): **\$19.32/hour**
- Region 2 (Central/Northwest/Northeast): **\$21.48/hour**
- Region 3 (Southcentral/Lehigh): **\$20.20/hour**
- Region 4 (Philadelphia/surrounding counties): **\$21.52/hour**

Nearby States' Rates:

- Delaware: **\$26.70/hour**
- New Jersey: **\$22/hour**
- Ohio: **\$23.88/hour**
- West Virginia: **\$27/hour**