Pennsylvania homecare agencies are in immediate need of additional funding. For over a decade, these providers have dealt with chronic underfunding caused by stagnant Medicaid rates for personal assistance services (PAS). Now, they’re facing increased costs associated with caregiver wages, overtime, personal protective equipment, and more, as well as massive workforce shortages.

PAS FUNDING TIMELINE

- **2012**: Rates restructured by region *
- **2013**: No rate increase
- **2014**: 2.1% rate increase (approx. $.36–$.40/hour)
- **2015**: No rate increase
- **2016**: No rate increase
- **2017**: No rate increase
- **2018**: No rate increase
- **2019**: No rate increase
- **2020**: 2% rate increase (approx. $.35–$.40/hour)
- **2021**: No rate increase
- **2022**: 8% rate increase (ARPA) ** (approx. $1.50/hour)

2012 FACTS*

- In 2012, the fee-for-service rate for personal assistance services (PAS) was restructured into four regional rates.
- The regional rates were determined based on a 2012 Mercer Report, which was done quickly, relied primarily on OLTL staff input, and recommended that the numbers be updated the following year.
- No further study has been conducted since 2012.
- As a result of the Mercer Report, some areas of the state saw significant rate reductions, including:
  - Allegheny County rates were reduced from $21/hour to $17.16/hour.
  - Montgomery County rates were reduced from $23/hour to $19.12/hour.

2022 FACTS**

- Between 2012 – 2022, average inflation in the U.S. was 2.14% per year, resulting in a cumulative price increase (CPI) of 23.57%. During that time, PAS reimbursement rates were increased by 4%.
- Prices rose 7.9% in February 2022 alone, compared to 2021, the largest annualized growth in CPI inflation since January of 1982.
- Although PAS providers received eight (8%) rate increases as part of the American Rescue Plan Act (ARPA) funding in January, this funding only lasts until March 2024, unless extended by the federal or state government.
- More importantly, PAS providers need an additional 8% rate increase now to support an average $15.00/hour wage and come close to being competitive with private and other healthcare employers.
- PAS providers are facing the perfect storm of increased demand for services, significantly increased costs and expenses, high turnover, chronic underfunding, and difficult work. The time to act is now.

Learn more at www.pahomecare.org