

# Increase Home & Community Based Funding

**Increases in Medicaid reimbursement rates and supports for Personal Assistance Services (PAS) and Home Health Services for medically fragile children are not just important, they are imperative.**

## Background

While individuals have long-preferred to receive care in the dignity and comfort of their own homes, COVID-19 drove more individuals than ever before to seek the safety, security, and other health benefits of home-based, non-institutionalized care.

Pennsylvania will receive more than \$7 billion dollars under the American Recovery Plan (ARP) and an additional \$700+ million is available as a result of a 10% FMAP increase. The 10% FMAP funds are required to be used to support HCBS and to supplement, not supplant, existing HCBS programs.

As a result of this funding, we have the most significant opportunity in our lifetime to fortify and support both PAS for older adults and adults with disabilities and home health services for medically fragile children.

## Home Care by the Numbers

- Number of PA residents over 60: 3.5 million (27%)
- Projected number of PA residents over 60 by 2030: 4 million+
- Fastest growing population in Pennsylvania: 85 and older
- Percent increase of individuals receiving HCBS waiver services since 2019: +19%
- Percent decrease of individuals receiving MA Long-Term Facility Care since 2019: -19%
- Number of Direct Care Workers (DCWs) in Pennsylvania: 234,000
- Number of additional DCWs needed by 2026: 37,000+
- Average hourly rate for Personal Assistance Services (PAS) workers in Pennsylvania: \$12.75 (includes private pay wages)
- Average turnover of DCW workforce in 2019: ~50%
- Median monthly cost of homecare in Pennsylvania: \$4,576
- Median monthly cost of long-term nursing facility in Pennsylvania: \$10,038 (semi-private) and \$10,828 (private)

## Pediatric Home Care by the Numbers

- Number of children receiving home care each year: 10,000
- Number of pediatric providers: 360
- Annual cost to the state: \$105 million
- Current FFS pediatric shift nursing rate: \$45/hour
- Cost to increase the pediatric shift nursing rate by \$10 per hour: \$15.6 million

# Increase Home & Community Based Funding

## Personal Assistance Services (PAS) Rates and Supports

The need and desire for HCBS has increased dramatically during the COVID-19 public health emergency, and the demand for direct care workers (DCWs) is at an all time high.

DCWs help individuals with daily activities such as bathing and bathroom functions, eating, and remembering to take medications.

Low wages, high turnover, the lack of a clear career path, and the physical and emotional demands of this work threaten access to quality care.

Current FFS rates range from \$17.87/hour to \$19.91/hour. These amounts are expected to cover wages, overtime, training, background checks, insurance premiums, transportation, overhead, and other costs associated with providing services. They do not.

PAS rates were increased in 2020 by 2%, or an average of 37.5 cents/hour. While much appreciated, this increase did not come close to making up for many years without any rate increases, and both costs and competition for employees, who can easily earn higher wages at Amazon and Sheetz, continue to rise.

In addition to an 8% PAS rate increase, we are requesting ARP funding to support the direct care workforce, fund provider training and career path efforts, and reimburse providers for expenses relating to overtime, personal protective equipment, and direct employee payments.

## Pediatric Shift Care

Pediatric shift nursing rates for medically fragile children must also be increased, as we face a nationwide shortage of nurses.

Reimbursement rates have only been increased twice in 28 years, resulting in a massive wage gap between facility-based nurses and home health care, making it impossible for home health agencies to compete for workers.

In other settings, nursing wages have increased 32% since 2018, and 9% since July 2020. Facility-based settings are able to pay significant sign-on bonuses, higher wages, and sizable incentives.

Surrounding states have significantly increased rates, including New Jersey (\$10/hour increase) and Maryland (30% increase over six years).

While PA home health rates have remained stagnant, agencies have faced increased costs for background checks, PPE, technology upgrades, and more.

An increase of \$10/hour is necessary for home health agencies to compete for these critical nurses and preserve access to care.

**Without meaningful increases, critical services for a growing number of Pennsylvanians are in peril.**

**Home care is provided:**

- In the location where people strongly prefer to receive care;
- At less than half the cost of skilled nursing facilities; and
- In a way that reduces hospital re-admissions and provides better outcomes for patients.

**Healthcare has come home.**

**Please support the workers and providers who provide critical home-based services to those who need it most.**