Dear Representative:

On behalf of the more than 116,000 participants in Pennsylvania’s Medicaid home and community-based services and the hundreds of thousands of caregivers who care for Pennsylvania’s most vulnerable, we are writing today to urge you to allocate much-needed additional funds for the State’s personal assistance services (PAS) program.

The home care industry is at a critical point. Demand for home care is at an all-time high, with 90% of seniors reporting a strong preference to age in place at home, instead of a facility. Home care providers are relied upon to care for more vulnerable Pennsylvanians than ever before, at less than half the cost of facility care, and without the necessary funding or supports.

Home care is at a critical crossroads: Providers cannot recruit and retain enough caregivers to keep up with demand. As a result, medically-fragile Pennsylvanians are going without the home care they need. This puts them at risk of hospitalization and long-term institutionalization. It also puts their families in a position to struggle to find care for their loved ones. This perpetuating cycle and the resulting crisis of care is directly caused by stagnant, inadequate reimbursement rates.

We are asking you to allocate an additional $1.50 per hour to the fee-for-service personal assistance service (PAS) reimbursement rates under the Office of Long-Term Living in the FY 2022-2023 budget, in addition to the funds provided through American Rescue Plan Act funding. This is crucial for companies such as ours to recruit and retain the caregivers needed to care for these individuals and keep them out of less desired, more costly institutional care.

Home care providers appreciate the funding we received during the pandemic. Unfortunately, it paled in comparison to other settings, including nursing facilities, even though the home health services industry has a larger economic impact in Pennsylvania. In fact, 73% of the population eligible for Medicaid long-term care services in PA receive care at home or in the community. Exponentially more money has been appropriated to nursing facilities, despite the fact that they provide less than 30% of this care. If we do not ensure the health of this industry, our clients will be forced into higher-cost settings, further increasing the financial burden on the state.

Home health aides working in home care currently make an average wage of $13.40 per hour in Pennsylvania. An additional $1.50 per hour will help our industry get closer to offering wages of $15 per hour. This is essential, as so many of our aides are leaving to work for Amazon, Target, Wawa, and other employers where they can earn more than $15 per hour, with additional perks, for much less demanding work. These companies can pass along increased costs to consumers, while Personal Assistance Services (PAS) agencies cannot. Medicaid-paid home care providers rely on reimbursement rates to cover all costs of providing care, including wages, supplies, training, transportation, benefits, and more. We cannot come close to competing with these private employers unless the State increases PAS program funding.
Since 2012, home care reimbursement rates have increased only twice before 2022, by about four percentage points, while Pennsylvania’s cost-of-living has increased by more than 18% during the same time frame. We have seen an 8.4% increase in the consumer price index and a 43.3% increase in gas prices since May 2021. In-home caregivers by their very nature must drive from client to client and are therefore disproportionately affected by unprecedentedly high gas prices. At a wage of $13.40 an hour, this is only encouraging employees to leave the home care industry for job opportunities like fast food and retail, which do not require daily travel.

On behalf of the many vulnerable Pennsylvanians that we care for and the compassionate caregivers we employ, we implore you to allocate an additional $1.50 per hour to the PAS program in the 2022-2023 budget. This funding is not only a dollar amount, but truly a lifeline to the 100,000+ Commonwealth residents that rely on the PAS program to age in place and remain where they want to be: at home.

Respectfully,

Scott Hilliard
Allied Services Home Health

Melissa Kelleher
AmeriBest Home Care

Ken Good
Always Best Care of Upper BuxMont, Greater Bethlehem & the Lehigh Valley

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