

Cost Estimate Explanation

Staffing

PHA and PA-PCA surveyed members of our respective organizations and received responses from providers representing more than \$306 million in Medicaid PAS/OLTL waiver billings. The responding agencies are well-representative of agencies across Pennsylvania. They represent a broad range of agency size, number of employees, payroll amount, and service/geographic areas. The data they provided is summarized on the attached spreadsheet and below.

Since the emergency declaration, homecare agencies have incurred increased overtime and “hero pay” costs, as specified below and on the attached. It should be noted that most agencies anticipate increasing projected costs in the coming weeks, however, the data provided herein, is based upon the time period since the emergency declaration.

Because of staffing shortages due to COVID-19 infection, the need for staff members to stay home to care for children and family members, and related issues, agency overtime costs have increased significantly in recent weeks.

With respect to overtime, 28 organizations (representing a higher number of licensees) reported a range of additional costs.

An increasing number, but not all, agencies have instituted “hero pay,” for DCWs in certain higher risk communities or circumstances. Others are finding that they need to institute such pay, in order to retain DCWs and to ensure continuation of services. Some agencies have paid time and a half to DCWs where circumstances require it, and almost all reporting agencies said that this amount was increasing, by necessity.

Training Costs

Increased training and education costs relate to the need to keep staff fully apprised of the most current infection control and related protocols, as well as training for emergency services, and additional staffing needs. The training costs for the representative responding agencies was \$141,624.

Supply Costs

Supply cost estimates included actual, increased costs relating to personal protective equipment (PPE), at a total of \$843,423.

A number of agencies reported that they expect these amounts to increase significantly, and particularly if more PPE becomes available for purchase.

Additional Costs

It is important to note that the above estimates relate to only a fraction of the costs that have been and will continue to be incurred by providers. Some of these additional costs and expenses identified by providers are included on the spreadsheet and include estimates relating to additional staffing expenses, ancillary services such as tech support, service related costs, and increased overhead.

Providers are also keenly aware of the potential implications of the federal CARES Act and the broader access some employees will have to unemployment compensation (as well as \$600/week additional pay). This law has the potential to significantly impact agency operations, staff availability, and the potential need to significantly increase hourly wages to retain workers and ensure the continuation of necessary services.

Conclusion

Thank you for your consideration of these very important issues. As you know, we compiled this information quickly; we are happy to follow up and provide any additional, specific information. Please let us know if you have any questions or would like to discuss any of the above items in more detail. Thank you.