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NEWS RELEASE

Homecare Providers Receive 2% Medicaid Rate Increase in 2019-20 State Budget *Increase Will Help Support Seniors, People with Disabilities in their Homes*

Harrisburg, Pa. (June 27, 2019) – The Pennsylvania Senate and House of Representatives sent the \$34 billion state budget for 2019-20 to Gov. Tom Wolf for his signature. The plan includes a 2% Medicaid rate increase for personal assistance services (PAS) that are provided in more than 60,000 people’s homes across the commonwealth each year.

“We are very grateful to state lawmakers and Gov. Wolf for approving this increase for a workforce of professionals who every day make it possible for older Pennsylvanians and those with disabilities to remain in their own homes, living as independently as possible,” said Vicki Hoak, CEO, Pennsylvania Homecare Association (PHA). “Our association, it’s 700 homecare agency members across the state, and countless consumers, including older adults and people with disabilities, have ardently advocated for an increase in this rate, which has been stagnant for more than five years.”

The actual cost to provide an hour of care at home far exceeds the current Medicaid reimbursement rate, which varies in Pennsylvania depending on where a consumer resides, according to Hoak. For example, in Pittsburgh, homecare agencies are reimbursed at \$17.52 per hour. “From that meager rate, agencies must pay wages, the cost of criminal background checks, tuberculosis (TB) screenings, training, workers compensation and other insurances, payroll taxes, and administrative costs,” Hoak said. “Simple arithmetic shows the hourly rate is woefully inadequate.”

The rate increase will also begin to address a growing problem that is rapidly turning into a crisis in Pennsylvania: a shortage of direct care workers to provide this care. The average direct care worker makes \$11 per hour, which in no way reflects the value of the services they provide.

“Homecare aides are lifelines for thousands of older Pennsylvanians and people with disabilities,” Hoak said. “Although this 2% increase does not solve the problem, it does take us a step in the right direction to address the direct care workforce shortage Pennsylvania is barreling toward.

“Legislators’ decision to include this increase in the state budget was not only supportive of people who need services, it was also a wise fiscal decision,” she added. “More and more older Pennsylvanians require services as they age, and they want to receive them at home, which is far less expensive than the cost of a nursing home stay.”

About PHA... The Pennsylvania Homecare Association is a statewide organization of more than 700 home health, homecare, and hospice providers. PHA members provide quality care and serve as advocates for their patients and clients on a variety of healthcare related issues. PHA and its members work hard to improve professional standards and ensure access to quality homecare throughout the Commonwealth. To learn more, visit www.pahomecare.org.

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