



The Honorable Stephen Kinsey
Majority Chairman
Human Services Committee
Pennsylvania House of Representatives
317 Irvis Office Building
Harrisburg, PA 17120-2201

The Honorable Doyle Heffley
Minority Chairman
Human Services Committee
Pennsylvania House of Representatives
218 Ryan Office Building
Harrisburg, PA 17120- 2122

May 9, 2024

Dear Chairmen Kinsey and Heffley,

On behalf of the Pennsylvania Homecare Association (PHA), I am writing in response to a recent House Co-Sponsorship Memorandum introduced by Reps. Jessica Benham and Jason Ortity, "[Agency Accountability and Livable Wages for Pennsylvania's Home Care Workers](#)". PHA has nearly 700 members providing home health, homecare, and hospice services across the Commonwealth. Our members reflect the diverse landscape of home and community-based service providers credentialed by the State of Pennsylvania to deliver services to the most vulnerable Pennsylvanians.

We were encouraged to see an increase in state funding for rates under Personal Assistance Services (PAS) in PA's Medical Assistance Community HealthChoices (CHC) programs in the proposal. Additionally, we wholeheartedly support a market-based analysis of rates every three years to ensure rates are more regularly adjusted for inflation going forward.

That said, PHA has serious concerns about the requirement that at least 80 percent of the total funding be spent on workers compensation, with annual reporting requirements to document the use of public funds. This language mirrors the final "[Ensuring Access to Medicaid Services](#)" rule that was recently released by the Centers for Medicare & Medicaid Services (CMS). Despite concerns from providers and Medicaid agencies about burdensome reporting requirements, state expense for administrative oversight, disparate impacts on small and rural providers, and lack of actuarial studies to support the 80/20 data recommendation, CMS finalized the rule with the problematic provisions still in place. Separately creating a state-mandated 80/20 provision is not only duplicative, but it also exacerbates workforce challenges in homecare services rather than alleviating them.

In a national and regional context, Pennsylvania's Medicaid fee-for-service reimbursement rates for personal assistance services (PAS) are notably low, averaging \$20.63, the lowest rate of our surrounding states with the exception of West Virginia. This rate has seen minimal increases over the past decade, failing to keep pace with inflation. Moreover, this rate covers all care aspects, including wages, overtime, administration, background checks, quality, nursing supervision, innovation, technology, and essential resources like PPE.

Similarly, we oppose the provision allowing "mission-driven non-profit" home-care agencies an enhanced rate for allocating 90 percent of their total rate to the workforce. Enhanced rates should be value-based and tied directly to quality and overall cost of care reductions, rather than arbitrary percentages that are not actuarially sound. Our industry focus should be on innovation, training, career pathways and investments in quality of care, rather than simply pay rates.

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600 N. 12th Street, Suite 200 • Lemoyne, PA 17043
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www.pahomecare.org

PHA has been a vocal advocate for pay rate increases, especially to address the critical shortage in attracting and retaining workers. This reflects our commitment to supporting Pennsylvanians and acknowledging the vital role of direct care workers.

The Co-Sponsorship Memorandum unjustly portrayed home care agencies as solely profit-driven entities, which is inaccurate, home-based care providers are deeply committed to ensuring access to high-quality care for all Pennsylvanians in need and enhancing professional standards. PHA and our members have spearheaded efforts for homecare licensing, more stringent training requirements, and enhanced regulatory standards. Our dedication to quality care is steadfast. We support quality metrics, higher reimbursement rates and wages for DCWs, and transparency in the system.

We urge all stakeholders to collaborate for the sustainable future of home-based care and prioritize rates that support quality services over arbitrary requirements. It is imperative for Pennsylvania to establish a framework that effectively supports aging individuals and ensures high-quality care for all in need.

Sincerely,



Mia Haney, CEO
Pennsylvania Homecare Association

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