



Pennsylvania Homecare Association

The Honorable Scott Martin
Majority Chair
Senate Appropriations Committee
281 Main Capitol
Harrisburg, PA 17120

The Honorable Jordan Harris
Majority Chair
House Appropriations Committee
512E Main Capitol Building
Harrisburg, PA 17120

The Honorable Vincent Hughes
Minority Chair
Senate Appropriations Committee
545 Main Capitol
Harrisburg, PA 17120

The Honorable Seth Grove
Minority Chair
House Appropriations Committee
245 Main Capitol Building
Harrisburg, PA 17120

June 27, 2024

Re: Fiscal Code Rate Considerations for Home Health Care Services within the Department of Human Services

Dear Chairmen:

The Pennsylvania Homecare Association (PHA) is a statewide membership association with approximately 700 home health, homecare and hospice members across Pennsylvania. On behalf of our members, we offer the following comments regarding increased reimbursement rates that **support compensation for Direct Care Workers, Nurses and Home Health Aides across the Commonwealth.**

Personal Assistance Services (PAS) - Office of Long-Term Living

- 1. Current reimbursement rates are insufficient to support this critical Direct Care Workforce:** Since the last Department commissioned rate study in 2010, several factors necessitate a re-evaluation and adjustment of the current rates. The primary drivers for this request include:
 - **Increases in Minimum Wage:** *A rising minimum wage will significantly impact labor costs across both models of Personal Assistance Services: Consumer-directed and Agency Model care.* Increases to minimum wages apply equally to both models. Ensuring competitive compensation is crucial to attract and retain a qualified workforce.
 - **Inflationary Effects:** General inflation has increased the cost of goods and services, impacting operational costs for providers.
 - **Workforce Compensation:** Adequate compensation for Direct Care Workers is essential to secure a stable and skilled workforce capable of delivering quality care to vulnerable patients.
- 2. Support 10% rate adjustment for PAS in both consumer-directed and agency models:**
Recent legislation (HB2372) was proposed to increase PAS rates disproportionately for the agency model by 10% and the consumer-directed model by 16%.

PHA is writing to advocate for an equitable adjustment in reimbursement rates of 10% for both models of Personal Assistance Services (PAS).

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bringing *care home*

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By aligning both models to the same % increase, we equally prioritize all workers in these programs.

- Historically both the consumer-direct and agency models of care have received equal % rate adjustments, setting precedent and aligning with third party rate setting methodologies:** The state has a long history of proportionally increasing PAS rates regardless of the existing two models of care: consumer-directed or agency model. We ask that that practice of giving the same % increase to both models continue. The current rate setting methodology was established through a study conducted by Mercer and commissioned by the Department of Public Welfare. This methodology identified differences in reimbursement between consumer-directed services and the agency model. This study took into account the varying requirements and administrative burdens associated with each model. While both service models fundamentally provide similar care, the agency model incurs significantly higher administrative responsibilities, compliance requirements, quality assurance, and oversight, justifying the current rate differential.

Reimbursement increases that are inequitable, or that only recognize one model of care, would fail to recognize the inherent regulatory differences between the models. This approach would be inequitable, break historic precedent, disregard previously commissioned rate setting methodologies, and would further destabilize this workforce population that is already in crisis.

As the budget is discussed, the rates that should be increased proportionally are the following HCPCS codes found at [this OLTL HCBS fee schedule](#):

- W1793 (agency PAS)
- W1792 (consumer-directed PAS)
- W1792 TU (consumer-directed PAS overtime)
- T1005 Respite (agency Respite)
- S5150 (consumer-directed Respite)

Adult and Pediatric Shift Nursing & Home Health Aides Services - Office of Long Term Living and Office of Medical Assistance Programs

We also urge our legislative leaders to increase funding for the pediatric and adult shift nursing programs. Nurses and home health aides working in this program provide life sustaining care to more than 13,000 medically complex children, adults, and seniors in the Commonwealth. Because of years of inadequate reimbursement rates, children are spending much more time in the hospital (in some cases over 800 days) because the industry does not have the nurses needed to bring these individuals home. This negatively impacts the patient and their families, causing financial distress to them and to Pennsylvania. We ask that you support these programs by:

- 1. Increasing the pediatric shift nursing rates by \$5 per hour**
- 2. Increase the pediatric home health aide rate delivered in conjunction with nursing by 10%.**
- 3. Standardize the shift nursing rate under OLTL to \$55 per hour.**

We urge you as appropriators to take this request into account as the details of the budget are finalized. The sustainability of home and community-based services depends on adequate funding and support. By addressing these financial challenges, we can continue to provide essential services to our most vulnerable populations and ensure that they receive the care they deserve.

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Thank you for your attention to this matter. Should you require any additional information or wish to discuss this further, please do not hesitate to contact me

Sincerely,



Mia Haney, CEO
Pennsylvania Homecare Association
MHaney@pahomcare.org

CC:

The Honorable Kim L. Ward
Pennsylvania State Senate
Representatives

The Honorable Jay Costa
Pennsylvania State Senate

The Honorable Matthew D. Bradford
Pennsylvania House of

The Honorable Joe Pittman
Pennsylvania State Senate
Representatives

The Honorable Joanna McClinton
Pennsylvania House of Representatives

The Honorable Bryan Cutler
Pennsylvania House of

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