



The Honorable Jordan Harris
 Majority Chairman
 Appropriations Committee
 Pennsylvania House of Representatives
 512E Main Capitol Building
 Harrisburg, PA 17120-2186

The Honorable Seth Grove
 Minority Chairman
 Appropriations Committee
 Pennsylvania House of Representatives
 245 Main Capitol Building
 Harrisburg, PA 17120- 2196

June 7, 2024

Dear Chairmen Harris and Grove:

On behalf of the undersigned associations, we write to share feedback on House Bill 2372, “Agency Accountability and Livable Wages for Pennsylvania’s Home Care Workers,” sponsored by Reps. Jessica Benham and Jason Ortity. The Pennsylvania Homecare Association (PHA), the Pennsylvania Association of Home and Community-Based Services, and the Rehabilitation & Community Providers Association (RCPA) collectively represent hundreds of thousands of participants and caregivers in Pennsylvania’s Medicaid Home and Community-Based Services (HCBS) program.

We fully support the proposed increases in state funding for personal assistance services (PAS).

However, we advocate for the following clarifications:

1. **We request that any rate changes be made to the Office of Long-Term Living fee schedule and all applicable programs.** This ensures that the changes impact all LTSS workforce, including those providing critical brain injury supports and rehabilitation services. Current verbiage excludes these programs, which are smaller than Community HealthChoices, but just as critical.
2. **We support a 16% wage increase for direct care workers across all models of care in the LTSS space.** Creating disparities by assigning different rate increases to agency and consumer-directed models at this critical juncture in the workforce crisis is counterproductive, and creates unnecessary conflict within the industry (current verbiage contains a 10% for agency model and 16% for consumer-directed model). Increases to rates specifically address the significant changes in compensation needed to be competitive in the current marketplace. Agencies, consumer-directed care, and rehabilitation all face the same reality; their workforce can make more money at the local gas station, retail store, or restaurant. A 16% increase in all models is a recognition from the legislature that inflationary impacts must be addressed, and this workforce secured, in order to protect Pennsylvania’s most vulnerable population. It also can be viewed as a positive step towards leveling rates with contiguous states, following more than a decade of under-funding across both models of care. Our current reimbursement rates lag bordering states by \$4.50/hour or more.
3. **We support language that requires the Department of Human Services to adopt a rate review and rate setting process that occurs at a minimum of every three years,** including obtaining input from a Medicaid Rate Work Group comprised of stakeholders across all models of care.

We appreciate the acknowledgment of the importance of continued funding support for health-sustaining services that enable individuals across Pennsylvania to thrive in their homes and communities, which are both the preferred and more cost-effective settings. **However, we have significant concerns regarding the requirement that at least 80% of the total funding be allocated to worker compensation, along with the accompanying annual reporting requirements to document the use of public funds.** This requirement reflects the language found in the recently released “Ensuring Access to Medicaid Services” rule by the Centers for Medicare & Medicaid Services (CMS).

During an extensive review and public comment period for the CMS rule, numerous concerns were raised by providers and Medicaid agencies. These concerns included the burdensome nature of the reporting

requirements, the administrative oversight costs, the disparate impact on small and rural providers, and the lack of actuarial studies supporting the 80/20 funding allocation recommendation. Consequently, CMS delayed the implementation of this mandate until 2030 to ensure proper implementation and to avoid unintended consequences, such as a decline in access to care.

For Pennsylvania to implement a similar provision in a more expedited manner is not only duplicative but also undermines the efforts made by CMS to ensure that this federal rule is promulgated successfully and without causing undue hardship for states. **If these rules are to be implemented, the timeline should follow the federal guidelines.**

In addition, we oppose the provision allowing "mission-driven nonprofit" agencies to receive enhanced rates if they allocate 90% of their total rate to the workforce. We would suggest that all providers of Medicaid services are "mission-driven" regardless of their tax status. Any enhanced rates should be value-based and directly tied to quality and cost reductions, rather than arbitrary percentages. Our focus should be on investments in innovation, training, career pathways, and quality of care, which are critical to achieving the best outcomes for both the workforce and the individuals receiving care.

Our collective organizations believe that increased funding for personal assistance services and residential habilitation is the priority. We would welcome the opportunity to make changes to this bill that would eliminate restrictive provisions which divert attention from our true imperative and pressing need; reimbursement to support competitive wages.

We urge all stakeholders to collaborate on creating a sustainable future for home-based care, prioritizing rates that support quality services over arbitrary requirements. Pennsylvania must establish a framework that effectively supports aging individuals and ensures high-quality care for all in need.

Sincerely,



Mia Haney, CEO
Pennsylvania Homecare Association



Richard S. Edley, PhD, President/CEO
Rehabilitation and Community Providers Association



Fady Sahhar, President/CEO
ProVantaCare



Carl Berry, President
PA Association of Home and Community
Based Service Providers

CC:

The Honorable Kim L. Ward
Pennsylvania State Senate

The Honorable Joe Pittman
Pennsylvania State Senate

The Honorable Jay Costa
Pennsylvania State Senate

The Honorable Joanna McClinton
Pennsylvania House of Representatives

The Honorable Matthew D. Bradford
Pennsylvania House of Representatives

The Honorable Bryan Cutler
Pennsylvania House of Representatives