

January 29, 2025

Dear Governor Shapiro, President Pro Tempore Ward, Speaker McClinton, Leader Pittman, Leader Bradford, Leader Costa, Leader Topper, and Appropriations Committee Chairs,

On behalf of the Pennsylvania Homecare Association (PHA), I would like to thank all of you for your service to the Commonwealth of Pennsylvania and for your commitment to working together to address the challenges and opportunities we all face as Pennsylvanians.

Pennsylvania is in the midst of a health care crisis that touches nearly everyone in the Commonwealth, and demographic trends promise to exacerbate the problem in the years ahead. Today, more than 400,000 seniors and medically fragile Pennsylvanians rely on in-home care, but caregivers and nurses are rapidly departing the industry to work in surrounding states or alternate settings that pay more competitive wages. This leaves more and more Pennsylvanians without access to the life-sustaining care they desperately need.

The reason for this exodus of workers is simple: Pennsylvania’s average reimbursement rate for these services is inadequate to support the cost of care. The rate for Personal Assistance Services (PAS) is dramatically lower than all neighboring states:

Pennsylvania	<b>\$20.63/hour</b>
West Virginia	\$25.44/hour
Ohio	\$28.96/hour
Maryland	\$25.58/hour
New York	\$36.31/hour
New Jersey	\$25.16/hour
Delaware	\$27.42/hour

The math is stark. Pennsylvania direct care workers, most often women and women of color, specifically, can earn at least 25% more – and in some cases, as much as 75% more – for doing the exact same work simply by crossing the Pennsylvania border – in any direction. Alternatively, a position in Pennsylvania at a gas station or fast-food restaurant often pays \$5.00+ *more* per hour.

As a result, more than 112,500 home care shifts go unfilled every month in Pennsylvania, with staff shortages as the primary culprit. Care recipients are often forced to go without essential services, including in rural communities. In some cases, the lack of care leads to preventable hospitalizations or nursing facility admissions—costly outcomes for both care recipients and taxpayers. Consider this: the average monthly cost of in-home care in Pennsylvania is \$4,957, but the average monthly cost of a nursing home is \$10,403.

A lack of investment in Home and Community-Based Services, and the Direct Care Workers who provide care, is actually causing the Commonwealth to spend more money per participant on a level of care they do not need in settings they do not want.

Again, this crisis will rapidly worsen as the Commonwealth's population ages. By 2030, more than a third of Pennsylvanians will be at retirement age, meaning hundreds of thousands more Pennsylvanians are likely to require in-home care in the coming years.

The solution to this crisis is clear, though not easy: in this year's budget, Pennsylvania must raise reimbursement rates for in-home care. Attached to this letter is [PHA's proposal](#): a phased increase, starting with a 22% adjustment for Personal Assistance Services (PAS) reimbursement rates in fiscal year 2025-2026, followed by annual increases, gradually bringing Pennsylvania's rates to an average of its neighbors' current rates, reaching \$28.82 by 2028. PHA is also proposing a \$59 blended nursing rate and 10% increase in Home Health Aide rates for Pediatric and Adult Shift Nursing services specifically supporting those living with chronic conditions and complex medical needs.

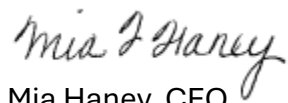
Bringing reimbursement rates in line with our neighboring states also makes economic sense. Pennsylvania's home care industry employs nearly 300,000 Pennsylvanians, generates \$25.6 billion each year, and in turn provides \$4.5 billion in federal, state, and local tax revenue.

We also continue to encourage the Administration's Office of Long-Term Living (OLTL) to publicly release its actuarial study of Pennsylvania's reimbursement rates, which was completed within the year and is currently awaiting executive review. The information gleaned from the independent review would help to publicly inform the conversation on what is needed to appropriately support these services and will illustrate how urgent the need is.

In our meetings and conversations with you and your staff, we have been very appreciative of your recognition of this issue and the urgent need to act. We also know – like all of you – that this is not a partisan issue, it's simply a matter of investing to ensure that those who require in-home care in Pennsylvania are able to access it.

This crisis affects constituents in every house and senate district across the state. It impacts your neighbors, family members, friends and coworkers – it is common sense policy that can only be solved with bipartisan support. We are committed to working with all of you – Republicans and Democrats – to ensure seniors and others who need quality in-home care in Pennsylvania have access to it.

Sincerely,



Mia Haney, CEO

Pennsylvania Homecare Association