



Legislature passes budget with historic investment in long-term care

Information updated since the July 8, 2022 member alert appears in red.

LeadingAge PA Members:

Thanks to the strong advocacy of our members and LeadingAge PA, the Pennsylvania General Assembly **and the Governor signed into law** a historic 17.5% rate increase in the 2022-23 state budget for Medicaid nursing home care in line with our \$294 million budget ask—the first across-the-board funding increase in nearly a decade. The budget also includes over \$131 million in one-time American Rescue Plan Act (ARPA) funding for COVID-19 relief to nursing

homes to help bridge the gap until the Medicaid funding increase goes into effect in January 2023. The ARPA COVID-19 relief funding also provides assistance to assisted living residences and personal care homes, as well as other segments of the long-term care continuum. The budget and related legislation are on their way to the Governor for his approval and we are encouraging him to sign them into law without delay.

Thank you, our members, for raising your collective voices and joining LeadingAge PA in advocating for this long overdue funding increase that moves us closer toward ensuring continued access to care for the older adults you serve. Our team went to bat by implementing a multi-prong advocacy strategy and negotiating for recognition of the unprecedented challenges long-term care providers are facing in this spending package. We still have an uphill battle on many important issues, but this is an important first step in the right direction.

Allocations (rounded to the nearest tenth) and provisions relating to the long-term care continuum include:

- **\$131.2 million** in ARPA funds for **nursing facilities**, of which \$104.9 million will be allocated based on Medical Assistance days for the third quarter of 2021 and \$26.2 million will be allocated to all providers based on the number of licensed beds as of July 1, 2022.
- **\$26.8 million** in ARPA funds for **assisted living residences** and **personal care homes**, with the majority being allocated based on occupancy levels pertaining to the most recent inspection on or before July 1, 2022. A small portion is based on the number of residents receiving SSI.
- **\$60 million** in ARPA funds for personal assistance services for **home health and home care providers** based on the number of Medical Assistance 15-minute units, excluding overtime, invoiced in the third quarter of 2021.

- **\$7 million** in ARPA funds for **adult day care services** based on the total Medical Assistance fee-for-service and Community HealthChoices payments for the third quarter of 2021.
- **\$5.4 million** in ARPA funds for **LIFE Program** providers based on the total amount reimbursed for long-term care-managed care for the third quarter of 2021.
- **\$4.3 million** in ARPA funds for eligible Medicaid **ventilator or tracheostomy qualified nursing facilities**
- **\$20 million to increase the monthly state supplemental assistance amounts** for residents of personal care homes from \$439 to \$639 for individuals and from \$957 to \$1,357 for couples. **Please note that this funding amount also includes increases to the state supplemental assistance amounts for domiciliary care homes.**
- **\$500,000** in additional Medicaid funding for eligible nursing facilities providing ventilator and tracheostomy care.

In addition to the above funding, the General Assembly once again allocated **\$16 million** for the Nonpublic Medical Assistance day one incentive program for nursing facilities and extended the deadline of the nursing provider assessment and the budget adjustment factor to 2026.

Along with the Medicaid funding increase, there are provisions included in **House Bill 1421** (starting on page 71, lines 24-30, through page 77, lines 1-3), in the Fiscal Code, that will require Medicaid nursing home providers to demonstrate that 70% of costs are resident care & other resident-related. There is also language in this bill specific to **CCRCs** (see page 72, lines 29-30, through page 74, lines 1-2, of **HB 1421**). LeadingAge PA will be providing additional details and conducting a webinar for members to better understand these provisions in more detail and how best to meet them—more information coming soon.

We also continue our efforts to mitigate the Governor's proposed regulatory requirement to move to 4.1 nursing hours per patient day (NHPPD) and

associated ratios. To that end, we have been working with the administration and industry stakeholders and believe that with this historic Medicaid investment and subsequent commensurate funding, there is a path forward to appropriate staffing requirements. This would include a year #1 (effective July 1, 2023) facility-wide staffing requirement of 2.87 NHPPD/associated ratios and a year #2 (effective July 1, 2024) and beyond facility-wide NHPPD of 3.2/associated ratios. Also key to this pathway is appropriate flexibility that recognizes the immense challenges of the workforce crisis and the operational implications of ensuring access to quality care.

Thank you again for your joint advocacy in securing this historic investment in long-term care. We will continue to review the 2022-23 state budget and provide additional details as they become available. In the meantime, please reach out to **Chuck Quinnan** or **Austin Cawley** if you have questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Garry Pezzano". The signature is fluid and cursive, with a large initial "G" and "P".

Garry Pezzano
President & CEO
LeadingAge PA

