



Pennsylvania Alliance of Retirement Community Residents

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LeadingAge PA reported that on February 2, 2022, Gov. Wolf laid out his proposal to spend a large portion of the remaining American Rescue Plan dollars, including \$250 million for long-term care recruitment and retention incentives and other health care workforce initiatives. Additionally, \$35 million would expand the student loan forgiveness program, which was described in the **December Tidbit Updates** (PARCR Legislative 21-LG05.) LeadingAge PA reports it is gathering additional details to ensure appropriate support for long-term care providers and continues to advocate to the General Assembly to address the long-neglected Medicaid reimbursement rates.

On February 8, 2022, Governor Wolf shared his executive budget for state fiscal year 2022-23.

Here is LeadingAge PA's report of the proposed budget and LeadingAge PA's concerns about the proposal.

“This year marks a historic change in his (Governor Wolf’s) recognition of long-term care providers –*with a caveat.*”

Wolf announced an approximate 10% rate increase (\$91.25 million) for nursing homes, to begin on Jan. 1, 2023. Unfortunately, the Administration has indicated that this funding is intended to assist nursing homes in hiring staff to comply with the increased staffing ratios proposed in its regulatory proposal.

While the six-month investment would serve to raise the base of nursing home Medical Assistance (MA) rates going forward, we recognize and are concerned the funding is tied to a regulatory proposal that would hobble the industry and not address the ever-increasing costs of providing care. We will continue our advocacy push to fight these misguided regulatory efforts and for funding increases that address the true needs of providers.”

“LeadingAge PA's initial review of the budget has identified the following items that will be of interest to our members:

- **\$91.25 million** in state funds (\$190.1 million total funds) to increase Medical Assistance rates for skilled nursing facilities effective January 2023 to comply with regulatory changes planned for July 2023.
- **\$50 million** in state funds to increase the personal care home state supplement from \$439.30 to \$1,351.80 per month.
- **\$4.4 million** in state funds to allow for an additional 372 individuals in the LIFE program.
- None of the budget-related materials point to rate increases for adult day, LIFE providers, or home care.

Highlights of the overall proposed budget include:

- Overall spending of \$43.7 billion in state general funds, an increase of 16.6% over the current year budget.
- Once again, the governor is proposing an increase in the minimum wage to \$12 per hour, including tipped workers, beginning July 1. Subsequent increases to reach \$15 per hour.
- Generous funding increases for public education with an additional \$1.55 billion in basic education funding and an additional \$200 million in special education.
- \$18.8 million to serve an additional 832 individuals with intellectual disabilities and autism currently waiting for services.”

LeadingAgePA reported plans to continue reviewing the governor’s proposed budget and provide further information on the specifics as they become available.

Please feel free to contact Gail Stelger if you have questions or concerns about this report.