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Pennsylvania's Long-Term Care Medicaid Funding MYTH VS. FACT

MYTH: Home and Community Based Services (HCBS) is less costly to the Pennsylvania Medicaid program than Skilled Nursing Care. Policymakers have been told that the average cost of caring for a person in Medicaid-funded home and community based care is a fraction of the cost of caring for the same person in a skilled nursing facility, and as a result, Pennsylvania should be relying less on skilled nursing facility care.

FACT: When a Medicaid-eligible Pennsylvanian needs around-the-clock skilled nursing and rehabilitation services (which are provided to them in a skilled nursing facility), that level of care is the most efficient use of Pennsylvania's tax dollars—and the safest and most appropriate level of care for that individual.

Our state Medicaid program paid an average of \$73,142 for skilled nursing facility care in FY 15-16. That means that on an hourly basis, skilled nursing facilities were paid \$8.35 per hour for the care they provide.

For \$8.35 per hour, skilled nursing facilities are required to deliver:

1. Regular room, dietary and nursing services, social services and other services required to meet certification standards, medical and surgical supplies and the use of equipment and facilities.
2. General nursing services.
3. Items furnished routinely and uniformly to residents, such as resident gowns, water pitchers, basins and bedpans.
4. Items used individually by residents in small amounts such as antacids, bandaids, aspirin, etc.
5. Reusable items such as bed rails, walkers and other durable medical equipment.
6. Special dietary supplements used for tube feeding or oral feeding.
7. Basic laundry services.
8. Nonemergency transportation.
9. Beauty and barber services.
10. Other special medical services of a rehabilitative, restorative or maintenance nature.

The average hourly cost of a respite care in the DHS HCBS Waivers is \$12.80 to \$19.12 per hour¹. If Pennsylvania's Medicaid program were to purchase that type of care on a round-the-clock basis using consumer directed care or a home care agency, it would cost Medicaid \$112,128 to \$167,490 a year per person.

The Numbers Don't Lie: As a state, we need to ensure that those who need long-term care receive quality services in the most appropriate and cost-effective setting at each stage of their life. However, unless a Medicaid eligible person needs significantly less care AND be safely cared for in their home, Medicaid-funded care in a skilled nursing facility is the **more cost effective use** of Pennsylvania's tax dollars.

¹ OLTTL Home and Community Based Waiver Services Rates; Rates Effective October 1, 2016;
http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_250790.pdf