

\$70M

Investment Needed in FY 2024-25 State Budget to Ensure Access to Care for Older Pennsylvanians and Help Nursing Homes Meet Increasing Staffing Requirements

Background

Skilled Nursing Facilities (SNF), better known as Nursing Homes, are essential parts of the healthcare ecosystem, serving tens of thousands of older adults in Pennsylvania, **over 70% of whom rely on Medicaid.**

Prior to 2023, nursing homes had seen no increase in Medicaid reimbursement rates for nearly a decade. The gap between reimbursement rates and actual costs of care had grown to \$1.2 Billion in 2022.

While that gap has closed slightly over the past 2 years, providers are grappling with unprecedented workforce shortages, record inflation, and effects from a one-in-a-lifetime pandemic that will have a lasting impact on this vulnerable sector.

In addition, underfunded state staffing requirements, which went into effect in 2023 and are set to increase again in July 2024, are contributing to an **access-to-care crisis** that can't be ignored.

Alarming trends

Pennsylvania's demographic trends show a rapidly growing senior population who will be in need of the care and services that skilled nursing facilities provide. But instead of increasing capacity, providers are *decreasing capacity* in response to a lack of funding and a lack of workforce.

These issues impact the healthcare ecosystem upstream as well with **the top 15 hospitals in the state reporting a nearly 2-day increase in average length of stay** for those expected to be discharged to skilled nursing from 2020 to 2023.

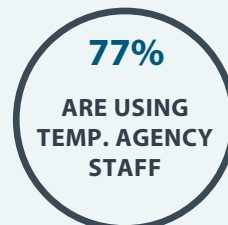
“Continued increases in staffing requirements at this time and low reimbursement only leads to more seniors in our region forced to sit in emergency rooms, be sent to lower quality facilities significant distances away, or go home without access to the care and services that they require.”

- Provider in Crawford County

RESPONDANTS REPRESENT NEARLY 20% OF ALL NURSING HOMES IN PA

FEBRUARY 2024

MEMBER SURVEY



How to reverse these trends

When asked to rank their reasons for intentionally reducing their nursing home's census despite demand for services, LeadingAge PA members cited inadequate nurse aide staffing and insufficient reimbursement as the top two reasons. Providers want to serve more older adults and they want to hire more staff, but these issues need to be addressed first.

When Medicaid increases were included in the 2022-23 and 2023-24 budgets, providers agreed to put **70% of those funds directly toward the bedside**, a requirement that would apply to any increased funding in 2024-25. And we know funding helps. Of the 33% of providers who reported being able to bring some beds back online over the past year, many pointed to their ability to increase wages as the primary reason.

If there was a Medicaid rate increase for nursing homes in the 2024-2025 PA state budget:

93% Would increase wages to retain existing staff and/or increase starting wages to hire more staff.

"A Medicaid funding increase would allow us to hire additional staff to serve more residents to remove the burden on our acute care partners and community by our ability to accept more residents."

- Provider in Crawford County

"Our staffing challenges are too severe to consider bringing beds back online. Increased funds are needed to retain the staff we have and to be able to recruit for the beds already online."

- Provider in Adams County

The Bottom Line

Nursing Homes cannot care for seniors in need without continued investment and partnership from the PA General Assembly and Shapiro Administration. Older Pennsylvanians deserve the best possible care in the setting that is most conducive to their wants and needs. For a large portion of the population that is and will continue to be in skilled nursing facilities.

LeadingAge PA members are mission-driven providers, committed to high-quality care and services. Make sure these providers have the resources they need to continue in their mission of ensuring all older adults have access to the care they deserve.