

Minimum  
**\$8.9M**  
 Plus Inflation

Investment Needed in FY 2024-25 State Budget to Support LIFE Providers in Navigating a Significant Funding-Cost Gap

## At a Standstill

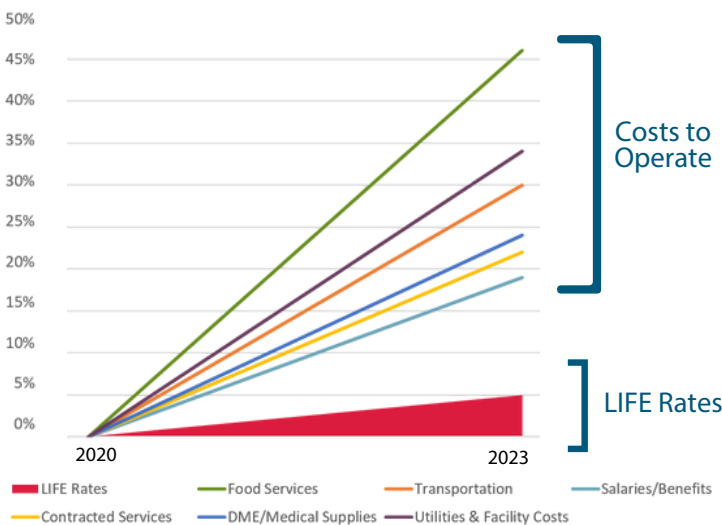
Pennsylvania's Living Independence for the Elderly (LIFE) programs, known nationally as PACE, serve more than 8,000 older adults by providing them with comprehensive health and support services as an alternative managed care option to the Community HealthChoices (CHC) program. LIFE programs include therapies/rehabilitation, socializing, physician and specialist services, personal care assistance, meals and nutrition, transportation, and more. That said, **these valuable programs are at risk after not having a meaningful rate increase for more than a decade.**

## Net Rate Increase

2008 to 2023  
 was only  
**2.8%**

### Median Increases Comparing FY2020 to FY2023 for LIFE Program

Expenses vs. LIFE Rates



“Expenses have increased double digits since COVID due to inflation, cost of general goods, and services. Increase in labor, member health care costs, pharmacy, transportation, and medical supplies also contributed to increase in expenses.”

In the past two budget cycles, **nursing homes have received necessary funding investments** to help them work toward new state staffing mandates. However, **LIFE programs have not received a corresponding increase** to help cover their rising costs, despite the fact that about 11% of LIFE participants require nursing home care to meet their needs, and LIFE programs must pay nursing providers for that care.

Plus, the average rate for PACE programs in neighboring states is **24% higher** than Pennsylvania’s current rate.

## Impacts on Pennsylvania Communities



LIFE Programs benefit the state by providing **more than 3,000 full-time jobs to 54 counties, resulting in nearly a quarter of a billion dollars in salaries and benefits** for interdisciplinary medical professionals who care for older adults in these areas.

As for older Pennsylvanians, many who wish to age gracefully within the familiar embrace of their homes and communities are able to do so through LIFE.

## Priorities

**According to providers, with increased funding they would prioritize:**

1. Increasing wages, overtime, and benefits for retaining current staff
2. Elevating starting wages and bonuses to attract more staff to fill open positions
3. Expanding the program to reach more seniors



## Time to Act

Investing in this critical program not only reaffirms Pennsylvania's position as a leader in aging services models across the country but also ensures that we have a wide range of care options available for older adults in the state. Without a meaningful rate increase, several providers have indicated that the most likely consequence will be closure and/or consolidation of LIFE program sites.

The LIFE program offers older adults another option for care and can help reduce access issues across the healthcare aging service ecosystem. This investment will **provide a more stable financial foundation for LIFE providers** to continue serving the most vulnerable older adults in the state.