

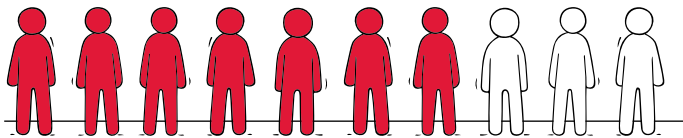


\$99M

Investment Needed to Ensure Access to Care for Older Pennsylvanians and Help Nursing Homes Meet New Staffing Requirements

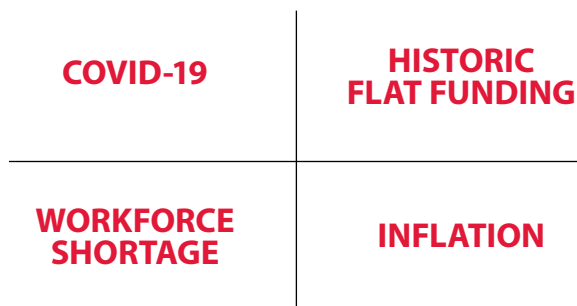
The context:

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



70% Approximately 70% of Residents rely on Medicaid

According to an independent study by RKL commissioned by LeadingAge PA in 2022, there was a **\$1.2 BILLION gap** between reimbursement rates and the actual costs of care. Faced with an unprecedented pandemic that hit long-term care especially hard, nearly a decade of flat funding, a crippling workforce shortage, and mounting inflationary pressures, providers have been suffering. This has resulted in reducing bed counts, and in critical cases, shuttering their doors altogether.



"Everything is costing more to take care of the residents from food to the workforce."

- Director of Nursing in Delaware County

A glimmer of hope:

In 2022, providers, labor, government, and other stakeholders were able to come together to take a step forward toward meeting our shared goals of preserving access to care and further improving quality for seniors. An investment was made to begin strengthening the system and help providers meet new minimum staffing requirements that will increase to 2.87 effective July 1, 2023, which included a commitment that 70% of a nursing home's total costs must be directed to the bedside.



"We appreciated the January 1, 2023 increase, but need significantly more as the current business model is unsustainable. In less than two years, unless one lives in a retirement community, one will not have access to quality skilled nursing."

- President of Nursing Home in Lancaster County

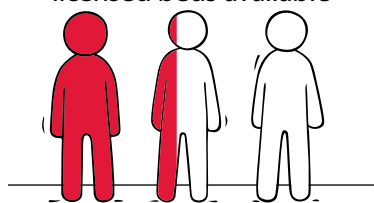
The situation today:

Minimum staffing requirements will increase again to 3.2, inflationary pressure has grown, and workforce shortages continue to plague the sector. As a result, a sizable gap between the reimbursement and the cost of care remains.

A March 2023 LeadingAge PA Member Survey found:

+55%

Over **55% of respondents had to decline hospital discharges** since Jan. 1, 2023 despite having licensed beds available



Over 1/3rd of respondents stated they have licensed beds offline

#1

The #1 reason for unfilled beds was **Workforce Shortages** followed by **Insufficient Reimbursement**

"Even with the increase in Medicaid funding, we are still coming up short. We have a higher skilled census now than ever, but are barely hitting breakeven. Skilled rates haven't adjusted to where they need to be. If we were to have a building with only Medicaid, we would absolutely sink...We are staying afloat because of our other lines of service that pay privately. It's our mission to continue to provide care to residents who cannot afford other levels of care, but this is not sustainable with the current reimbursement and threat of increased staffing requirements."

- Executive Director/NHA in Butler County

The bottom line:

Nursing Homes cannot care for seniors in need without continued investment and partnership from the PA General Assembly and government officials. 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.



"We want to be true to our mission of taking very low-income seniors who are on Medicaid but it is difficult."

- Nursing Home Administrator in Lancaster County

LeadingAge PA