



**Weathering the Storm: The Impact of the Great  
Recession on Long-Term Services and Supports**  
State Profile: PENNSYLVANIA

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# INTRODUCTION

*Weathering the Storm: The Impact of the Great Recession on Long-Term Services and Supports* is the most comprehensive analysis to date on the budget cuts to both Medicaid and non-Medicaid funded long-term services and supports (LTSS) in each state. It also illustrates state-by-state how LTSS are financed. In addition, this study provides a very early snapshot of the likelihood of states pursuing some of the LTSS provisions within the Affordable Care Act (ACA).

*Weathering the Storm* contains several components:

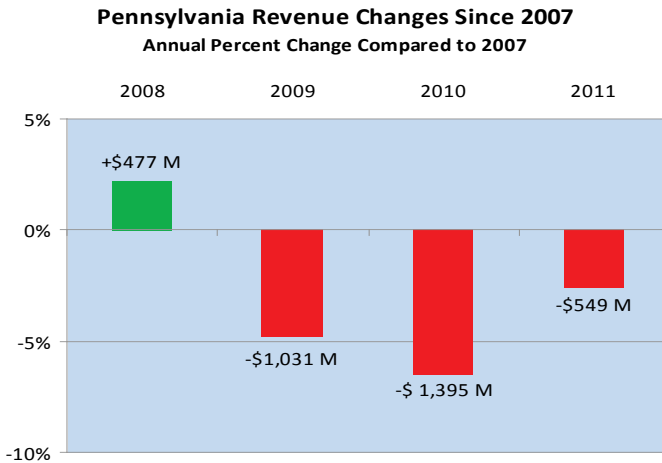
- The full report with an overview of findings and state-by-state tables;
- State profiles, which are 4 to 5 pages in length, for each state that participated in the study;
- An In Brief, which is a short synopsis; and
- A videotaped interview about the key findings.

Hard copies of *Weathering the Storm* are available free of charge. To order, please call the AARP Public Policy Institute at (202) 434-3890 or email [jgasaway@aarp.org](mailto:jgasaway@aarp.org).

All of the components of *Weathering the Storm* are also available on the web and can be found at [www.aarp.org/ppi](http://www.aarp.org/ppi), [www.nasuad.org](http://www.nasuad.org), and [www.healthmanagement.com](http://www.healthmanagement.com).

# PENNSYLVANIA

## TAX COLLECTIONS



Source: HMA analysis of state tax collection data from the National Association of State Budget Officers (NASBO), Spring Fiscal Survey of States, 2008 (for baseline 2007 data); Spring Fiscal Survey of States, 2009 (for 2008 data) and Spring Fiscal Survey of States, 2010 (for 2009 actual, 2010 estimated, and 2011 projected). Revenue represents the following taxes if collected by the state: **Personal Income, Corporate, and Sales**. Percent change and change in amount collected (in millions) represents the divergence between the state fiscal year noted and baseline SFY 2007.

## ARRA FUNDING

### IMPACT OF ARRA ENHANCED MEDICAID FMAP EXPIRATION

- Pennsylvania has been successful in convincing the legislature that reducing home and community-based services (HCBS) does not save money, and that nursing facilities are overresourced.
- Changes to HCBS (rate cuts, benefit changes, and reductions in caseload) may be necessary after FMAP extension ends.

### PREDICTED IMPACT OF THE EXPIRATION OF THE ARRA NUTRITION FUNDING

- No impact because ARRA was used to supplant funding, and it also provided an opportunity for the state to solicit competitive grants for a modernizing infrastructure program.

## STATE UNIT ON AGING AND DISABILITY (NON-MEDICAID) SERVICES

### STATE UNIT ON AGING NUMBER SERVED (UNDUPLICATED)

SFY 2009 (actual)	SFY 2010 (projected)	SFY 2011 (projected)	% Change SFY 2009–2011
267,281	265,221	265,221	-1%

### STATE UNIT ON AGING TOTAL EXPENDITURE REDUCTIONS – ACTION TAKEN

SFY 2009–2010	SFY 2010–2011
None	None

STATE UNIT ON AGING SERVICE DEMAND AND EXPENDITURE CHANGES

Program	Change in Expenditures		Change in Service Requests
	SFY 2009–2010	SFY 2010–2011	SFY 2009–2010
Adult Foster Care	-	-	0
Adult Day Care	+	+	+
Adult Protective Services*	0	0	+
Assisted Living	NA	NA	NA
Behavioral Supports	NA	NA	NA
Case Management	0	0	+
Chore	0	0	+
Community Transition	+	+	+
Congregate Meals	0	0	0
Day Habilitation	NA	NA	NA
Disease Prevention/Health Promotion	+	+	+
Elder Abuse Prevention	0	0	+
Environmental Modifications	0	0	0
Equipment and Supplies	0	0	0
Family Caregiver Support	0	0	0
Food Stamps/Supplemental Nutrition Assistance Program			NA
Foreclosure Counseling	NA	NA	NA
Homemaker	0	0	+
Home-Delivered Meals	0	0	+
Housing Assistance	NA	NA	NA
Information and Referral	0	0	0
Legal Assistance Development	0	0	0
LIHEAP			+
Long-Term Care Ombudsman	0	0	0
Nutritional Supplements	NA	NA	NA
Occupational Therapy	0	0	+
Personal Care/Assistance	0	0	+
Physical Therapy	0	0	+
Recreational Therapy	NA	NA	NA
Residential Habilitation	NA	NA	NA
Respite	0	0	+
Senior Community Service Employment Program	0	0	+
Senior Centers	0	0	0
Speech Therapy	0	0	+
State Adult Guardianship Program	0	0	+
State Pharmaceutical Assistance	+	+	+
Supported Employment	NA	NA	NA
Supported Living	NA	NA	NA
Transportation	0	0	+
+ Expenditure/demand increase	0	No change in expenditure/demand	DK Don't know
- Expenditure/demand decrease	NA	Program not administered by SUA	

\* Since SFY 2009, the State Unit on Aging has received increased calls for Adult Protective Services, e.g., financial exploitation.  
 • Increased complaints are likely associated with the downturn in the economy.

PENNSYLVANIA

STATE UNIT ON AGING NON-MEDICAID HCBS EXPENDITURES

SFY 2009 (actual)	SFY 2010 (projected)	SFY 2011 (appropriation)	% Change SFY 2009–2010
\$219,673,375	\$223,649,100	\$223,649,100	2%

MEDICAID LONG-TERM SERVICES & SUPPORTS

NUMBER OF BENEFICIARIES: WAIVERS & NURSING FACILITIES

Waiver Name	Avg. Daily Caseload			% Change
	SFY 2009	SFY 2010	SFY 2011 (planned)	SFY 2009–2010
Aging Waiver (60+)	14,114	14,604	15,521	3%
Attendant Care (Physically Disabled 18-59)	4,864	5,268	5,658	8%
Independence (Physically Disabled 18+)	2,648	3,168	3,526	20%
CommCare (Traumatic Brain Injury)	529	592	644	12%
Nursing Facility Services	Avg. Daily Census 2010		Expected Change 2011	
NF Average Daily Census	49,000		Decrease	

- The state attributes the pronounced decline in nursing facility census over the last several years to the buildup of HCBS.

LTSS EXPENDITURES (FEDERAL AND STATE)

Service	SFY 2009	SFY 2010 (Estimate)	SFY 2011 (Appropriation)	% Change SFY 2009–2010
HCBS Waivers (For Older People and Adults with Physical Disabilities)	\$730,898,263	\$849,228,626	\$990,303,073	16%
Medicaid LTSS State Plan	\$145,131,698	\$149,620,308	\$150,000,000	3%
Nursing Facility	\$3,012,614,580	\$2,978,262,682	\$2,949,746,969	-1%

LTSS PROVIDER PAYMENT RATE CHANGES

Provider Type	SFY 2009–2010 % change	SFY 2010–2011 % change
Nursing Home*	-	-
Home Health	0	0
Personal Care Services	0	0
HCBS Waiver Services	0	0
+ Provider rate increase    - Provider rate decrease    0 No change in provider rate		NA Not applicable

- Nursing facility rate changes are based on changes in acuity. The state has had level funding (with no cost-of-living adjustments) in nursing facility and other services for the past three years.



**OPTIONS, OUTLOOK, AND PROMISING PRACTICES**

The Medicaid agency and State Unit on Aging were asked about their intent to pursue options under health care reform, to provide their thoughts on the outlook for LTSS, and to share promising practices in their state. This section combines information from both agencies if both agencies responded.

See the Overview for descriptions of these provisions.

State's Intent to Pursue LTSS Provisions in the Affordable Care Act	Very Likely	Somewhat Likely	Not Likely	Don't Know
State Balancing Incentive Program	X			
Community First Choice Option	X			
<b>Money Follows the Person Demonstration</b>				
1. Apply for new program				
2. Apply for extension of existing program	X			
<b>Medical/Health Home Initiative</b>				
1. Agency applying for planning grant		X		
2. State plan amendment to establish medical/health home services				X
3. Apply to establish community health teams	X			

**STATE PRIORITIES: 18–24 MONTHS**

- Expand the Program for All-Inclusive Care for the Elderly (PACE), a capitated program that integrates Medicare and Medicaid financing.
- Streamline administration.

**STATE ISSUES**

- While Pennsylvania has significantly increased (from 8 to 22 percent) its spending on HCBS compared to institutional care, it still lags behind the rest of the country.
- Pennsylvania's challenge will be to maintain adequate funding to stay the course and continue HCBS expansion.

**STATE PROMISING PRACTICES**

- Because of consumer demand, Pennsylvania has created viable options to institutional placement through infrastructure investments, adult day program expansion, and PACE.

The information in this profile represents information available to state officials at a point in time. Surveys were conducted from June through September 2010. Pennsylvania's fiscal year begins July 1 and ends June 30.