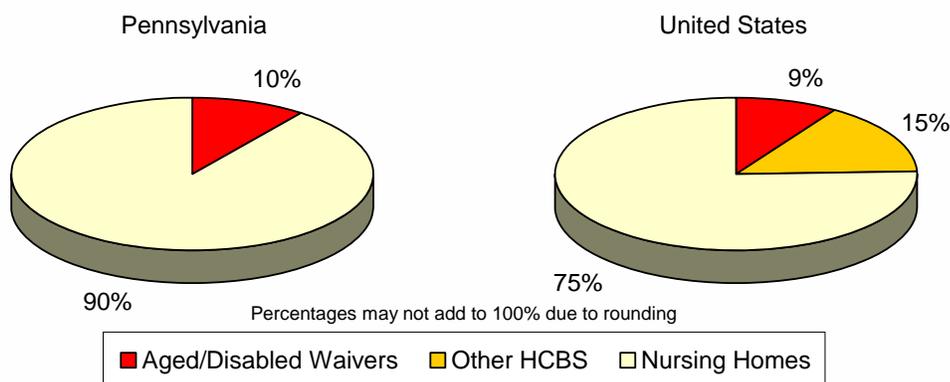


State Long-Term Care Reform in
PENNSYLVANIA

Medicaid Long-Term Care Spending for Older People and Adults with Physical Disabilities in Pennsylvania and the U.S., 2006



Compared to the U.S. average, Pennsylvania allocates a greater percentage (90 percent) of its Medicaid long-term care (LTC) spending for older people and adults with physical disabilities to nursing homes, even though most people prefer to remain in their own homes and communities. In FY 2006, Pennsylvania spent 10 percent on waiver services.

Type of Service	Medicaid Participants ¹			Expenditures (millions)		
	1999	2004	Change	2001	2006	Change
HCBS	4,411	18,912	+14,501	\$100	\$440	+\$340
Nursing Homes	72,481	79,272	+6,791	\$3,684	\$3,862	+\$178

Although Pennsylvania has yet to achieve a balanced LTC system for older people and adults with physical disabilities, the state has made some progress in expanding access to home and community-based services (HCBS) in recent years. From 1999 to 2004, the number of participants receiving HCBS increased far more than did the number in nursing homes. However, many more Medicaid participants still received nursing home services than received HCBS. From FY 2001 to FY 2006, the increase in Medicaid spending on HCBS was nearly double the increase in spending on nursing homes, indicating a positive trend in reallocating spending.

¹ This analysis separates Medicaid participation and spending data for older people and adults with physical disabilities from the population with mental retardation/development disabilities (MR/DD) and other LTC populations. Participants and expenditures for HCBS include all 1915(c) waivers for older people and adults with physical disabilities, and the personal care services option, if the state offers it. All participants and expenditures for nursing homes are included, regardless of the participants' type of disability or reason for admission. Excluded are participants and expenditures for intermediate care facilities for mental retardation (ICF/MR), HCBS waivers for other populations such as MR/DD, home health, and individuals receiving LTC services through managed care programs. Participant numbers include all persons receiving services during the year, not the average number on a given day; the number of nursing home participants is greater than the number of nursing home beds in each state. The average number of Medicaid nursing home residents on any given day for each state appears in the *Tables* tab at the end of the full report *A Balancing Act: State Long-Term Care Reform (#2008-10)*.

Pennsylvania also has a large state-funded program. The OPTIONS program, funded by the state lottery, served 51,288 older people and adults with physical disabilities in 2006–07, with another 4,000 persons on a waiting list. The state expects the Aging 60+ Medicaid waiver program to serve about 23,000 people in 2007–08. As part of its Commonwealth Long-Term Living Project, the state has set a goal of 50 percent home-based care to 50 percent institutional care for all LTC populations by FY 2011–12.

Major Initiative

The Departments of Public Welfare and Aging created the Office of Long Term Living to consolidate all LTC programs and services for older persons and people with physical disabilities under a single management umbrella. This new organizational structure oversees all Medicaid institutional and HCBS for these populations. A deputy secretary for Long Term Living was hired in early 2007.

“Systems Change”
Pennsylvania has made progress in changing its LTC system by creating a single agency—the Office of Long Term Living—to consolidate and administer LTC programs and policies.

Other Developments

Recent LTC Initiatives. A December 2006 Medstat report found that Pennsylvania’s progress in balancing its system of LTC services for older people has come through initiatives, such as 1) a common budget in the Department of Public Welfare for nursing facilities and HCBS for older adults (the combined budget is a single line item in both the governor’s budget and the legislature’s appropriations bill); 2) a single-point-of-entry system through county-based Area Agencies on Aging (the state also has two pilot Aging and Disability Resource Centers); and 3) an expedited eligibility determination pilot program in 10 counties, called “Community Choice,” which helps applicants to receive services within 72 hours of initial application.

Assisted Living. In July 2007, the Pennsylvania legislature enacted Senate Bill 704 establishing licensing standards for assisted living residencies. The legislation stipulates that residents can sign informed consent agreements that acknowledge their own risk if they wish to remain in the facility, even if their condition over time warrants more assistance than the facility had offered when the resident moved in. The facilities are to make “reasonable accommodation” for aging in place. New regulations are being drafted that could have a significant impact on how the informed consent and aging-in-place provisions are interpreted.

Nursing Home Transition. In 2000, Pennsylvania received one of the original nursing home transition grants from the U.S. Centers for Medicare & Medicaid Services. The one-year, \$500,000 grant evolved into a three-year demonstration in four of the state’s 67 counties. The program was expanded statewide in 2005, and transition services were added to six HCBS waiver programs. Further expansion took place in 2006. From January 2005 to June 2006, 474 transitions took place in 54 counties.