

Increased Budget Funding for Pennsylvania's Senior Living Facilities

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Pennsylvania finally has [passed its 2022-23 budget](#), which provides increased funding for long-term care (LTC) facilities. The new budget allocates \$515 million, including federal matching funds, for the state's nursing homes, personal care homes, assisted living facilities and other providers.

Senior living advocates generally praise the new budget as an "historical investment" in long-term care following the devastating impact of the COVID-19 pandemic. However, questions remain as to whether it will be enough to solve many of the issues facing long-term care facilities.

It is estimated that Pennsylvania's LTC facilities have lost 30,000 direct care workers since the start of the COVID-19 pandemic. This staffing crisis is in addition to the overwhelming costs and impact of the pandemic itself. At this point, many LTC facilities are facing burn-out, and increased funding will provide a much-needed boost.

The new budget largely favors nursing facilities that participate in the state's Medicaid program for low-income seniors, including a 17.5 percent rate increase. The budget also allocates nearly \$105 million of American Rescue Plan (ARP) funds to Medicaid facilities, with an additional \$26 million distributed to all the state's nursing facilities based on the number of licensed beds.

The budget allocates \$24 million of ARP funds to assisted living residences and personal care homes based on July 2022 occupancy levels, as well as \$2.6 million to those facilities with Social Security Income (SSI) recipients, along with a rate increase.

The budget also allocates nearly \$75 million of ARP funds to home health and home care providers, which includes \$15 million earmarked for incentive payments to direct care workers.

Some question whether the one-time ARP payments will be enough to solve the primary issues for long-term care, namely escalating costs and inadequate reimbursement. Adding to these issues are the costs of more regulation, including the state's proposed increase in LTC staffing requirements. Still, the new state budget provides some temporary relief for LTC providers, and a well-deserved acknowledgment of their efforts throughout and following the COVID-19 pandemic.

If you have any questions regarding the budgetary impact on long-term care facilities, please contact [Christopher J. Churchill](#), or anyone in the [Senior Living Industry Group](#).

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WRITTEN BY:



Christopher J. Churchill

Partner

Tel: (717) 399-1571

Email: cchurchill@barley.com