Center for Advocacy for the Rights and Interests of the Elderly (CARIE)
Recommendations for Pennsylvania’s Proposed FY 2015-16 Budget
June 25, 2015

As the General Assembly debates and works to pass a balanced budget for FY 2015-16. CARIE hopes you will consider the needs of older Pennsylvanians to support their ability to live at home. Avoiding or delaying nursing home placement is a “win-win” situation for the Commonwealth as well as consumers and their families in that serving consumers in their homes is more cost effective and it is where consumers want to be. Here are a few programs and issues that we hope you will ensure are supported in the final budget:

The Lottery Fund

As you know, the Lottery Fund is an important revenue source that supports many programs and services benefiting older Pennsylvanians such as the Property Tax and Rent Rebate program, PACE and PACENET, as well as home and community-based services. These programs are critical to helping older adults live in their homes. While the Lottery Fund is managed well and is experiencing growth, it cannot withstand the current level of spending and remain viable. Over the past eight years, about $2 billion has been transferred to the General Fund primarily to supplement the Department of Human Services (DHS) budget. Last year, $501.5 million was transferred.

The seven year financial statement shows the Lottery Fund will have negative ending balances starting in FY 2016-17. In addition, the Governor’s budget projects lottery growth at about 8% for FY 2015-16 and eliminating the Lottery Fund’s reserve. The optimistic revenue projections and zeroing out of the reserves raises concern whether the fund could potentially have a deficit next fiscal year and whether funding obligations can be met. While we are pleased to see proposals for less money being transferred to the General Fund, we remain concerned about the sustainability of the Lottery Fund. The budget must provide adequate funding for programs and services traditionally funded by the lottery while ensuring the solvency of the Lottery Fund. CARIE recommends eliminating the transfer of Lottery funds to Medicaid or for administrative costs unless traditionally lottery-funded programs have sufficient funding, and the Lottery Fund has a positive fund balance and reserve.

PENNCARE

PENNCARE is funded through lottery dollars and includes vital services to help frail older Pennsylvanians delay or avoid institutionalization. Included are services such as Options, Older Adult Protective Services, the Attendant Transportation Program, adult day services and home delivered meals. The Options program provides older Pennsylvanians who are not eligible for Medicaid long term services and supports with much needed home and community-based long term care. These services maximize an individual’s level of functioning, which ultimately prevents or delays his or her need for Medicaid. CARIE recommends increasing PENNCARE by at least $5.9 million for the annualization of the recent expansion of the Options program as well as to meet the growth of attendant care services for those over 60.

Senior Centers

Thousands of older Pennsylvanians utilize senior centers each day for a hot nutritious meal as well as social and educational activities that support their health and well-being. Senior centers are invaluable assets within communities but need more support from the Lottery. Due to funding constraints, there are senior center buildings...
Senior Centers (continued)
that are deteriorating. Some senior centers have cut their hours of operation, while others have been forced to close completely. **CARIE supports increasing funding for senior centers and continuing to provide $2 million in Lottery dollars for competitive grants.** The PA Department of Aging should be required to collect and publicly release data on how much funding the local AAAs distribute to senior centers in their respective service areas.

Nursing Home Alternatives
Pennsylvania’s Aging Waiver and LIFE programs provide home and community-based alternatives to older Pennsylvanians who are medically and financially eligible for Medicaid-funded nursing home care. The Aging Waiver program and LIFE program are critical to Pennsylvania’s rebalancing efforts. Inadequate access to the Aging Waiver and LIFE program will cause some consumers to seek nursing home placement as an alternative to getting care at home. **CARIE supports the following increases to the General Fund to expand home and community-based services next fiscal year:**

- $13.2 million for the Home and Community-Based Services appropriation to provide Aging Waiver services to an additional 1,764 seniors;
- $1.7 million for the Long-Term Care Managed Care appropriation to serve an additional 144 seniors in the LIFE program;
- $13.8 million for the Services to Persons with Disabilities appropriation to provide waiver services to an additional 1,140 individuals with physical disabilities; and,
- $2.4 million for the Attendant Care appropriation to serve an additional 324 individuals with physical disabilities in the attendant care program.

It is also important that the final budget reflect the need to strengthen the infrastructure of home and community-based services in Pennsylvania. For example, the Medicaid rates for adult day providers and homecare agencies that provide personal assistance services under the Aging Waiver and other waiver programs have not kept pace with the cost of doing business. Low rates impact access to quality care providers and make it difficult to recruit and retain qualified professional caregivers. **CARIE supports increasing provider rates for Waiver funded services.**

Revenues
While CARIE would support a small sales tax increase or personal income tax increase, we strongly oppose expanding the sales tax to include long term care services. We believe this falls into the category of “penny wise, pound foolish” in that taxing private pay nursing home care, assisted living, adult day, home care, etc. will only cause older adults to spend down their resources more quickly to become eligible for Medicaid funded services. Most long term care is provided by family, neighbors, and friends, not by government funded programs and services. Older adults in need of long term care services already have high out-of-pocket expenses, taxing them or their families will only add to the burden of trying to meet their needs. **CARIE strongly opposes taxing any long term care services.**

About CARIE
CARIE is a non-profit organization providing free education, consultation and problem-solving services for older adults and family caregivers, as well as systemic advocacy on behalf of vulnerable elders since 1977. Each year CARIE helps several thousand older persons understand benefits and rights, assess options and access services to improve their health and well-being.

We hope we can count on your support to address the needs of older Pennsylvanians. Should you have any questions or need additional information, please contact CARIE’s Executive Director Diane Menio at (267) 546-3434 or menio@carie.org, or Director of Advocacy Initiatives Kathy Cubit at 267-546-3438 or cubit@carie.org.