



**House Aging and Older Adult Services  
and Human Services Committees**

**Joint Informational Meeting on  
Personal Care Homes and Assisted Living Residences**

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**Submitted by:**

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Chair Kim, Republican Chair Mentzer, Chair Kinsey, Republican Chair Heffley, and honorable members of the House Aging and Older Adults Services and Human Services Committees. LeadingAge PA is grateful for the opportunity to speak to you today about the continuum of aging services and more specifically, personal care and assisted living. The membership of LeadingAge PA is comprised of more than 400 mission-driven providers of senior housing, health care, and community supports and services across the Commonwealth. Our members provide a variety of services across the aging services ecosystem, including adult day services, LIFE programs, home health care, home care, hospice, and independent living options in many different settings, including personal care homes, assisted living residences, skilled nursing, affordable housing developments, and continuing care retirement communities.

### **Differences between Personal Care and Assisted Living**

#### Personal Care

Personal Care Homes (PCHs) are residences that provide shelter, meals, supervision and assistance with personal care tasks, typically for older adults or individuals with physical, behavioral health, or cognitive disabilities who are unable to care for themselves. However, these individuals would not qualify for or are not in need of 24-hour skilled nursing care. A personal care home can support seniors with a variety of medical conditions, including dementia, limited mobility, heart disease, diabetes, and more. An older adult may be happier in a personal care home if they need help with one or more activities of daily living, feel unsafe or lonely living alone at home, or must rely on care from family members. These residential facilities are licensed and inspected annually by the Pennsylvania Department of Human Services (DHS) and at a minimum provide care for four or more persons twenty-four hours a day. Unlike long-term care nursing facilities, there are no federal regulations for personal care homes and there is no medical assistance (Medicaid) reimbursement for personal care providers. While Medicaid does not

cover personal care services, Supplemental Security Income (SSI) (a federal program that provides monthly payments to people who have limited income and resources) can be applied toward personal care costs. SSI is for people who are 65 or older as well as people of any age who are blind or who have disabilities. The state of Pennsylvania contributes additional money to the federal SSI payments. A single payment that includes both the federal SSI payment and the state supplement is issued to residents of domiciliary care homes and personal care homes. According to DHS' most recent annual report, there are 1,074 licensed personal care homes in Pennsylvania, of which approximately 67% (715) are for-profit and 33% (359) are non-profit, as compared to a total 1,120 licensed personal care homes cited in the same report for 2021.

#### Assisted Living

Assisted Living Residences (ALRs) are another long-term care option available to Pennsylvania's seniors. They are also licensed and regulated by DHS. These residences offer services that include food, shelter, supervision and supplemental health care services provided for a period exceeding 24-hours. Individuals may require assistance or supervision in matters such as dressing, bathing, diet, financial management or medication prescribed for self-administration. Assisted living residences are designed to provide an environment that combines housing and supportive services in a way that allows people to age in place, maintain their independence, and exercise decision-making and personal choice. Currently, there are 68 licensed assisted living facilities in Pennsylvania. Like personal care, assisted living is not a covered service under the state's Medicaid program. Currently, Pennsylvania is one of only a handful of remaining states that do not provide financial coverage for assisted living under the state's Medicaid program. Over 40 states (and the District of Columbia) currently provide some degree of financial assistance to those needing assisted living services, typically through 1915c Medicaid HCBS waivers, 1915b Managed Care waivers, or straight State Plan Medicaid.

Assisted Living Residences and Personal Care Homes are distinct in three main ways:

- *Concept:* Assisted Living Residences embody the ideal of allowing a resident to “age in place” without having to move to a licensed long-term care facility when their care needs increase.
- *Construction:* Rather than having rooms that may be shared by up to four persons in personal care, assisted living residences are held to the regulatory standard of having larger individual living units with kitchen capacity and private bathrooms. An assisted living resident cannot be forced to share a living unit. This residential living model allows for privacy and maximum independence. The living space for a resident of an assisted living residence is typically between 225 and 300 square feet; for a personal care home the average is 60 to 80 square feet.<sup>1</sup>
- *Care provided:* Assisted Living Residences offer services that could otherwise be provided in a licensed long-term care facility, such as supplemental health care services. Each assisted living residence must employ enough personnel to provide one hour of care to each resident per day and two hours of care to residents with mobility issues.<sup>2</sup> There must be a licensed nurse on site or on call, and a registered dietitian should be available to accommodate dietary restrictions. The administrator or director should be on-site a minimum of 36 working hours.

## Challenges

### Workforce

The current workforce crisis has impacted all industries. However, in aging services the lack of staff is directly limiting the number of older adults that providers can serve and is increasing the cost of care

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<sup>1</sup> PA Code 2600.101 and 2800.101

<sup>2</sup> PA Code 2800.57

per individual. Because of the growing workforce pressures, access to services like personal care and assisted living are becoming more and more limited, especially for individuals that may need financial assistance options. The lack of adequate funding for these care settings is putting providers at risk of having to limit the number of people they serve to maintain quality of care and sustainability, or worse, having to close their doors altogether. The Bureau of Labor Statistics<sup>3</sup> estimates demand for employees in healthcare services will grow much faster than the average 4% for non-healthcare workers, which will further strain the ability of PCH and ALR providers to continue providing care. Without significant investment and efforts by our Commonwealth and our education system to drive young individuals towards aging services as a career choice, the availability of services for aging seniors will be directly limited by the inability of providers to hire, compensate, and retain trained and quality staff.

LeadingAge PA recommends a few commonsense solutions that can improve the ability of providers to recruit and retain talented caregivers:

- *Addressing the ongoing price gauging practices of temporary staffing agencies.* While personal care and assisted living are not held to the same standards as skilled nursing, there is a high need for staff to ensure quality care. Temporary staffing agencies have continued to charge exorbitant amounts and are taking advantage of providers' inability to find the staff they need in their communities. Capping what agencies are charging providers would help ensure transparency and reduce the extent to which these agencies can profit by taking advantage of the workforce crisis.
- *Allowing additional flexibilities for personal care and assisted living hiring.* Providers have shared many instances of having well-qualified, caring applicants or existing team members who would be a great fit for direct care positions, but are not eligible due to missing educational

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<sup>3</sup> Accessed August 26, 2021: <https://www.bls.gov/ooh/healthcare/home.htm>

requirements (it is a regulatory requirement that direct care staff in PCHs and ALRs must have either a high school diploma or GED). This requirement creates a barrier for individuals that do not have these credentials, especially for those who may have been born outside of the country. Allowing providers to have access to this additional pool of qualified workers would help increase the potential pipeline of workers who are passionate about serving older adults.

- *Supporting initiatives that raise awareness of the rewarding benefits and security of careers in aging services by:* 1) Implementing recommendations from the Pennsylvania Long-Term Care Council's April 18, 2019 report, [A Blueprint for Strengthening Pennsylvania's Direct Care Workforce](#). In particular, the Commonwealth should create a statewide public awareness campaign that emphasizes the need to recruit and retain more aging services workers and the value of these professionals. 2) Supporting related initiatives such as Careers to Love, an online platform that LeadingAge PA launched three years ago that connects potential caregivers with mission-driven providers in Pennsylvania who value expertise, compassion, and dedication, is a great example of this. The Careers to Love campaign also provides potential jobseekers with a behind the scenes look at what it means to work in aging services through a targeted marketing approach.
- *Establishing a Health Workforce Innovation and Reform Office, Cabinet and Advisory Council.* A coalition of health care providers across the health care continuum in collaboration with the PA Health Funders Collaborative submitted a proposed executive order which would create the Governor's Office of Health Workforce Innovation and Reform. This goal of this office would be to develop short and long-term strategies to address the Commonwealth's health workforce crisis. The executive order would also create the Governor's Health Workforce Reform Cabinet and Advisory Council.

## Funding

As mentioned above, there is no significant state or federal funding supporting residents in PCHs or ALRs. In personal care, there is no third-party reimbursement for personal care homes, though many homes care for low-income residents who may qualify for and receive Supplemental Security Income (SSI). Similar to funding challenges in other parts of the aging services ecosystem, the SSI payment to support low-income Pennsylvanians in personal care fails to cover the true cost of care and services.

While a modest increase was made to the state portion of the SSI payment (increasing it from \$39 a day to \$49 a day) as part of the 2022-2023 state budget, this was the first increase since 2006 and the 2023-2024 state budget failed to build upon this progress.

Since the creation of the assisted living regulations in 2011, LeadingAge PA has advocated for Medicaid funding in assisted living to take full advantage of expanding access to this service setting. Since that time, numerous proposals have been put forth to house and senate committees, including Senate Bill (SB) 520 which originally would have directed DHS to submit to the Centers for Medicare and Medicaid Services (CMS) a plan to include assisted living and supplemental health services as covered medical assistance services. In light of concerns related to the potential upfront costs of full coverage, LeadingAge PA was supportive of a change to SB 520 which removed the coverage components and focused instead on flexibilities for personal care providers making the transition to assisted living licensure, including allowing waivers for physical site requirements set forth in regulation. In the meantime, covering assisted living as an "in lieu of" service (ILOS) through the Community HealthChoices (CHC) Managed Care Organizations (MCOs) would also be a positive step toward reaching the goal of full coverage under Medicaid. Allowing the MCOs to use assisted living as an approved alternate service setting (with appropriate protections in place) would help demonstrate the

value of assisted living being available to those enrolled in the Medicaid program and would relieve some of the statewide strain on skilled nursing facilities and Medicaid funds.

### **Additional Considerations**

While sustainable funding and combating workforce shortages are key issues that need to be addressed to expand access to care for older adults, there are other opportunities for flexibilities in personal care and assisted living that would help ease the administrative burden on providers, allow for more direct resident interaction, and equip them to better meet the needs of those they serve. For example, allowing licensing flexibility for communities that have both independent living (IL) and personal care on the same campus (often within a continuing care retirement community) would allow IL residents with increased care needs to receive personal care services in their existing IL apartment or home without having to endure the disruption of transitioning to a different location to receive a higher level of care. LeadingAge PA has also advocated for a formal independent dispute resolution (IDR) process for personal care and assisted living surveys. Unlike skilled nursing facilities, there is no formal process for PCH or ALR providers to appeal outcomes from the survey process. A formalized process through DHS would allow for transparency in the department's enforcement and give providers an opportunity to appeal and resolve possible discrepancies.

LeadingAge PA looks forward to working with you, the General Assembly, and the administration on opportunities to expand access and continue to emphasize quality care in our state's personal care and assisted living communities. We believe it is critical to provide the above-mentioned supports for the ultimate benefit of serving individuals needing services and supports at this level across the Commonwealth.