

Report Highlights

An Assessment and Cost Review of Personal Care Homes in Pennsylvania

SR 260 and HR 665 of 2006 directed the LB&FC to conduct a study and cost review of PA personal care homes (PCHs). PCHs must be licensed by the Department of Public Welfare. In 2005, DPW substantially revised the regulations governing such homes.

Study Findings:

- Based on an LBFC survey, small/midsize PCHs had much lower operating costs per resident per month (\$1,133) than large homes (\$2,010) with 50+ beds. Such costs are higher than the maximum monthly federal and state SSI payment for low income elderly and disabled PCH residents in 2005 (\$913.30) and 2007 (\$1,002.30), despite the General Assembly's \$45 a month increase in SSI payments in 2006.
- PCHs with a high proportion of SSI residents had much lower operating costs than those with no SSI residents; \$917 (small/midsize) and \$1,321 (large) for homes with 50% or more SSI residents compared to \$1,710 (small/midsize) and \$2,092 (large) for homes with no SSI residents. A 1990 DPW study attributed such differences to SSI homes having fewer dollars to spend money on services and amenities.
- Higher costs at large PCHs may, in part, be due to large PCHs being more likely to have dementia units and more physically impaired residents, though more small/midsize PCH residents were unable to self-administer medications. In 2003, 11,000 mentally ill residents accounted for about 20 percent of all PCH residents.
- PCHs are not allowed to serve those in need of nursing facility care. As a result, residents in PCHs are not as impaired as those in nursing facilities.
- DPW's estimates of the impact of its new PCH regulations were reasonably accurate for large PCHs; but tended to underestimate the impact for small/midsize PCHs. For all homes, DPW's compliance cost estimates are understated. We did not estimate a total statewide cost to comply with the new regulations, in part because many PCHs were

waiting to learn exactly what would be required.

- Between June and November 2006, 61 PCHs serving SSI residents closed or were in process of closing. Such closures are an acceleration of a trend that goes back to at least 2001 when 32 closed. Other data show the average monthly number of relocated residents more than doubled after PCH regulations changed.
- Almost half (32) of PA counties do not have PCH beds available on admission for those who rely on SSI, and when PCHs close it can be difficult to place such residents in a PCH in the same county. DPW anticipated such residents would be absorbed by other homes, but this does not appear to be the case in at least some areas of the state (e.g., southeast PA).
- For relocations involving DPW staff, 42% went to domiciliary or other PCHs, 18% to a nursing facility, hospital, or psychiatric care setting, and 12% to an apartment, family, or stayed at the PCH with the revoked license. Some deteriorated after relocation and some ended up in emergency shelters, despite significant efforts of county programs.

Conclusions:

- DPW will continue to be challenged to reverse the loss of small personal care homes serving SSI residents. Additional increases in monthly payment amounts may help though they are costly.
- DPW has adequate legal authority to ensure PCH residents are not harmed through relocation, including settlement agreements, waivers, appointment of masters, etc.
- A combination of several or all of the above will be necessary to ensure quality personal care for SSI residents in PA.