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Financial woes limit building of assisted living facilities

Pennsylvania welcomed a new category of long term care, called "Assisted Living Facilities" in January, 2011, when final regulations implementing a 2007 law were put into place. These facilities were intended as a middle ground between personal care homes (formerly referred to as assisted living facilities) and nursing homes. The Rendell administration saw this as a less institutional (and less costly) option for long term care than are nursing homes, but with a higher standard of care than personal care homes are held to by law. Hopefully this would allow many persons to live out their lives in a more home-like atmosphere, but with the necessary care that they were unable to receive at home. More importantly, these new entities would be entitled to Medicaid dollars to pay for care for residents who qualified under a waiver program that would be applied for by the State.

Sadly, the situation did not develop as Governor Rendell envisioned it. According to a recent article in the *Pittsburgh Post-Gazette* by Gary Rotstein (<http://www.post-gazette.com/pg/11332/1193108-454-0.stm> on November 28, 2011), of the more than 1,300 personal care homes in Pennsylvania, there are 10 licensed facilities, and 26 more waiting for approval. Many of these facilities are new construction, intended to take advantage of the new law. The Rendell administration predicted that at least 150 facilities would be licensed by now.

It appears from Mr. Rotstein's interviews with industry leaders, that the bottom line is financial. Ron Barth, of LeadingAge PA, which represents many nonprofit providers, states that "They come at you with high-end regulations, but no way to pay for it." Assisted Living Facilities are left in the same position as personal care homes always have been, totally dependent upon the residents to pay out-of-pocket for care. Low income persons simply cannot afford the cost to stay in a personal care home, particularly "memory care units" for dementia patients. The cost to upgrade to satisfy the new assisted living regulations without the possibility of residents being able to supplement their care costs with Medicaid dollars makes it impossible for many current facilities to consider jumping on the bandwagon to become licensed as an Assisted Living, as much as they might wish to do so.

A Department of Public Welfare spokesperson, Anne Bale, stated that "It would be unfair to look at expanding services for an assisted living waiver for such a small number of recipients when we have had to scale back benefits ... for other recipients." The Corbett administration apparently has no interest in pursuing the necessary waiver to obtain benefits for Assisted Living residents. However, Mr. Barth counters with "If [the state is] serious about wanting to keep people out of nursing homes, which we agree with as a goal... they're going to have to get serious about how they are going to fund [Assisted Living] services."

Currently, in this area, there are a number of really good personal care homes, formerly known as assisted living facilities. Both current and prospective residents of these facilities are faced with finding a way to pay privately for their care. The resources may be there initially, but if their money runs out, Medicaid is not available. Many persons do not need care in a nursing home, and the State would benefit by funding a much less expensive and more desired level of care. It seems that the Corbett administration is short sighted in refusing to shift spending from nursing home care to that in an Assisted Living facility.