

Executive Summary: Adopting the Federal Medical Assistance "Community First Choice" Option in PA: Consider the Savings

Pennsylvania could save \$100.7 million in year one from implementing the Community First Choice Option. If Pennsylvania moved to provide 50% of its long-term care in a community based setting instead of costly nursing homes over the course of four years the savings would exceed \$1.5 billion.

Pennsylvania has the unique opportunity to revamp its Home and Community-Based services, by providing cost-effective community based care rather than expensive institution based services. There are 80,797 people with disabilities and seniors receiving long term care in a nursing home setting, many of whom both want to and are able to receive care in a community based setting.

Key Findings

- Providing long-term care at home saves an average of \$31,920 per recipient
- Implementing the Community First Choice option will generate \$20 million in revenue for Pennsylvania per year because the federal government will reimburse a greater share of the cost of home based care.
- If Pennsylvania moved over a period of time to providing half of all long-term care in the community, it would save \$1.5 billion

Conclusion

Adopting the CFC option and expanding community-based care could save Pennsylvania \$1.5 billion. The CFC option will almost certainly pay for itself. Even if start-up administrative costs were high, Pennsylvania would still save \$100.7 million in the first year of CFC option implementation. By moving towards providing half of all care in a home based setting, Pennsylvania can save \$1.5 billion over four years. The savings and revenues highlighted above almost certainly offset the increased costs associated with implementation.

*For more information, contact the Community First Choice Option Coalition
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