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 at (866) 868-0386