

From: Thomas Crofcheck <ThomasCrofcheck@melmark.org>
Sent: Wednesday, September 8, 2021 2:27 PM
To: Smith, Rick
Cc: Bill Schoppe; Ahrens, Kristin
Subject: [External] 6100.571(b)(7) geographic cost differences

ATTENTION: This email message is from an external sender. Do not open links or attachments from unknown sources. To report suspicious email, forward the message as an attachment to CWOPA_SPAM@pa.gov.

Rick,

We ran out of time but I wanted to reiterate the regional cost difference for all fee schedule wage assumptions. Staff are needed to provide services and live within a commutable distance of the service provision location. According to the MIT living wage data, the Philadelphia Metro Area costs 9.4% more than the statewide average. This five county area also costs 20.6% more than the four counties where state centers are located. Yet those state center staff average over \$19/hour in these low cost of living regions. Per 6100.571(b)(7) the Department will examine and use data related to the geographic costs based on the location of where the HCBS is provided. The southeast region is a higher cost area and BLS data supports that higher wages are paid for the same work.

Here are some reputable data sources:

MIT Living Wage Data

Living Wage Comparison			
https://livingwage.mit.edu/states/42/locations			
County	Living Wage: 1 adult, 1 child	Versus Statewide Average	
Statewide Average	\$ 27.57		
Delaware	\$ 29.63	7.5%	
Chester	\$ 30.34	10.0%	
Philadelphia	\$ 29.88	8.4%	
Montgomery	\$ 30.17	9.4%	
Bucks	\$ 29.78	8.0%	
Philadelphia Metro	\$ 30.17	9.4%	
Cambria	\$ 24.75	-10.2%	Ebensburg
Venango	\$ 25.06	-9.1%	Polk
Snyder	\$ 24.67	-10.5%	Selinsgrove
Luzerne	\$ 25.55	-7.3%	White Haven
Average - State Centers	\$ 25.01	-9.3%	
Average - State Centers	\$ 25.01		
Phila. Metro - SE PA	\$ 30.17		
Living Wage Difference	\$ 5.16	20.6%	

Or [US Census - American Housing Survey](#)

Per the US Census Bureau American Housing Survey in 2019 (latest available version):

The mean total monthly housing costs in the Philadelphia Metro area was **25.9%** higher than the statewide mean housing cost

The median total monthly housing costs in the Philadelphia Metro area was **26.4%** higher than the statewide median housing cost

Per the US Census Bureau American Housing Survey in 2019 (latest available version):

The mean monthly cost paid for Rent in the Philadelphia Metro area was **27%** higher than the statewide mean rent cost

The median monthly cost paid for Rent in the Philadelphia Metro area was **29%** higher than the statewide median rent cost

Or using 50th percentile HUD Median Rent Estimates

County	HUD 50th Percentile Rent Estimates			
	2 bedroom	3 bedroom	4 bedroom	
Delaware	\$ 1,399	\$ 1,729	\$ 1,980	
Chester	\$ 1,399	\$ 1,729	\$ 1,980	
Philadelphia	\$ 1,399	\$ 1,729	\$ 1,980	
Montgomery	\$ 1,399	\$ 1,729	\$ 1,980	
Bucks	\$ 1,399	\$ 1,729	\$ 1,980	
Southeast PA	\$ 1,399	\$ 1,729	\$ 1,980	
Cambria	\$ 784	\$ 1,004	\$ 1,146	Ebensburg
Venango	\$ 757	\$ 936	\$ 1,218	Polk
Snyder	\$ 831	\$ 1,094	\$ 1,182	Selinsgrove
Luzerne	\$ 925	\$ 1,194	\$ 1,285	White Haven
Average - State Centers	\$ 824.25	\$ 1,057.00	\$ 1,207.75	
Average - State Centers	\$ 824.25	\$ 1,057.00	\$ 1,207.75	
Southeast PA	\$ 1,399.00	\$ 1,729.00	\$ 1,980.00	
Median Rent Difference	\$ 574.75	\$ 672.00	\$ 772.25	
	70%	64%	64%	

Our staff have to live somewhere, rely on their paychecks to pay rent and buy food, and it objectively costs more to live and provide services in the southeast. The fee schedule should reflect this difference for all services.

Thank you,

Tom

Thomas J. Crofcheck, CPA
Vice President and CFO

TCrofcheck@Melmark.org

610-325-4935 (Office) 570-956-1542 (Cell)



Mission First. Every Individual. Every Day.

EnvisionSMART™

2600 Wayland Road

Berwyn, PA 19312

<http://www.melmark.org>

Confidentiality note: The information, attachments and/or documents contained in this document transmission may be confidential and/or privileged and are intended only for the individual or entity named above. If you received this email in error, please contact the sender and delete the email. Thank you.