



Adult Day Health Care Council

Critical Home and Community-Based Program Needs the State's Attention

Increase ADHC Program Medicaid Rates to Ensure Access to Care and Help Rebuild

Adult day health care (ADHC) programs are a critical provider on the home and community-based services (HCBS) continuum and serve complex patients who would otherwise be receiving care in an institutional setting. Programs are important to registrants, their caregivers, and families. ADHC programs' integrated care teams provide skilled nursing care, personal care, therapies, social work, case management, hot meals, recreation, and socialization – essentially the full array of nursing home services, but in a day setting. Registrants return home at the end of the day, and caregivers are able to access some respite.

The Adult Day Health Care Council (ADHCC) urges the State to increase ADHC Medicaid rates to enable programs to address historic underfunding since 2009, encourage ADHC programs still closed post COVID to reopen and rebuild, and ensure that rates reflect the current medical Consumer Price Index (CPI) to address major increases in costs for staffing, utilities, food, medical equipment, building services, supplies, and personal protective equipment (PPE).

REQUESTS:

- ADHCC urges the State to set ADHC operating rates at 65 percent of a program's sponsoring nursing home operating rate and ensure that rates increase with nursing home rate rebasing. We propose a ceiling on the increase and base rates for programs in both upstate and downstate regions to account for certain programs that are subject to extremely low operating rates. More than 90 percent of ADHC registrants are Medicaid beneficiaries, leaving ADHCs unable to cover their costs with other payor sources.
- Further, restore the 5 percent and 10 percent capital cuts made to nursing homes in 2020 and 2024. These also impact ADHC.
- We urge the State to provide an increase in Method 1 transportation rates at rates similar to those provided through the Statewide Transportation Broker. A significant challenge for reopened ADHC programs is the lack of affordable ADHC transportation for registrants. ADHC Method 1 programs either directly contract with transportation vendors and/or own their own vehicles. Method 1 Medicaid transportation rates, established in 2010, are woefully insufficient. Programs struggle to find transportation vendors that will accept these rates and often must subsidize vendors with their own program rates to get their registrants to program. Current ADHC transportation rates fail to cover the increased costs of gas, insurance, driver wages, and the purchase and maintenance of vehicles. Low Method 1 rates also cause access issues for ADHC registrants who require longer trips in rural areas, as they cost far more than the rate provides.

CURRENT LANDSCAPE: The COVID-19 shutdown in March 2020 included the State-ordered closure of all ADHC programs, one of the only provider types in the state to be permanently shut down. For more than a year, individuals statewide went without ADHC services, resulting in a spike in preventable hospitalizations, nursing home admissions, and health decompensation. Staff of programs were diverted to nursing homes, completely dismantling the programs and upending ADHC care of their registrants and support for their families.

To date, only 60 of the state's 116 actively licensed ADHC programs have been able to reopen. Many programs are still closed, and many reopened programs are struggling to stay open due to staffing challenges and inability to cover operating costs.

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Currently, 19 counties in the state that used to have one or more actively licensed ADHC programs have none. Most upstate cities have only one program. There are only two ADHC programs in the Bronx – a borough of approximately 200,000 adults over age 65 – while three of its programs remain closed. Most boroughs have only half of their programs open, and most upstate regions lack ADHC programs in their communities altogether.

Conclusion

ADHC programs and the registrants they serve are at a significant juncture that requires focused attention and investment to reopen and rebuild programs. We are at serious risk of losing ADHC in most areas of the state if proper and swift action is not taken.

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