



Adult Day
Health Care
Council

2023-24 NYS Budget Health/Medicaid Testimony

Provided by:

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February 28, 2023

Medical Model Adult Day Health Care Programs Need Support and Attention from the State

ADHC Programs Continue to Struggle to Reopen and Stay Open

Thank you for the opportunity to provide testimony today. My name is Meg Everett, Executive Director of the Adult Day Health Care Council.

The Adult Day Health Care Council (ADHCC) currently represents 50 medical model adult day health care (ADHC) programs open and operating across New York State. Prior to the pandemic, our membership included over 120 ADHC programs. Seventy remain closed since their State-ordered closure in March 2020 due to COVID-19. We are the only organization that speaks exclusively for ADHC providers; we are dedicated to the reopening and rebuilding of adult day health care in an effort to meet the needs of the frail elderly, chronically ill, disabled adults and their caregivers.

What is adult day health care?

Adult day health care is a community-based long term care service that offers comprehensive care in a congregate day setting. ADHC programs provide skilled nursing care, personal care, social work, therapy, recreation, and socialization, to functionally impaired individuals to maintain their health status and enable them to remain living at home and in the community.

ADHC programs have operated since 1969, as a deterrent and alternative to institutional care, and serve registrants who are at a nursing home level of care. Only nursing homes can own or operate ADHC programs in NYS and programs are subject to CON and regulated by NYS Department of Health. ADHC programs are different from social adult day care programs in that they undergo significantly more oversight than SADC programs and offer a broad array of skilled services and care with an interdisciplinary team approach.

ADHC is a valuable option on the HCBS continuum of care providing skilled care and socialization for individuals, and support and respite for their caregivers and families.

The Majority of ADHC Programs are Still Closed

In March of 2020, all 116 adult day health care programs across the state were instructed to close due to COVID-19 – one of the only provider settings to be instructed to close their doors. During that time individuals statewide went without their ADHC services, including personal care, therapies and skilled nursing services, resulting in a spike in preventable hospitalizations, nursing home admissions and deterioration of member health and hygiene. Some of our programs were able to pivot to telehealth to ensure continuity of care, delivered meals and check-ins. However, the loss of care provided in program and the loss of opportunities to see friends and participate in enriching activities led to cognitive and emotional decline for many ADHC registrants.

ADHC programs were authorized to reopen in late March 2021, ending a year-long period of isolation and limited access to care for registrants, and a complete depletion of ADHC staff and revenue loss for programs. To date, only 50 ADHC programs have been able to reopen. Many programs are trying to reopen and are struggling to do so. Several reopened programs have reclosed. And some closed programs are currently seeking permanent closure. Currently, there are over 26 counties in the State that used to have one or more actively licensed ADHC programs. Now, none of these counties has an open ADHC program, including the Bronx – a borough of approximately 200,000 adults over age 65. Many regions now lack ADHC programs in their communities altogether. [See Attachment A](#) for a fuller picture of closures.

The Adult Day Health Care Council (ADHCC) respectfully requests that the State dedicate the necessary resources to commit to a full return to operational status for ADHC programs, including a substantial increase in Medicaid. ADHC programs provide nursing home-level care to individuals who live in the community, and it is critical that these resources are re-established as quickly as possible.

Increase Medicaid Rates for ADHC Program and ADHC Transportation by 20%

ADHC Program Rates:

The Adult Day Health Care Council urges the State to provide a substantial increase in Medicaid reimbursement for ADHC programs to reflect current costs of care, including adequate compensation of staff. A 20% Medicaid rate increase will help bolster all reopened programs, but is also critical to ensuring a full return to operation and pre-COVID census for the 70 programs that are still closed. The Executive Budget's 5% increase in the ADHC rate (a component of the nursing home rate) is not enough. Without a substantial rate increase we will likely not see these programs reopen in their communities, and individuals, their caregivers and families will no longer have access to this valuable HCBS provider setting.

ADHC programs have seen a mere 1% increase in Medicaid rates since 2008, and were even subjected to a rate cut by the State during COVID-19, when most other states were increasing Medicaid reimbursement for long term care providers. Programs require a Medicaid rate that is adjusted for the current rate of inflation and the medical Consumer Price Index (CPI) to address increased staffing costs, utilities, food, medical equipment, building services, supplies and PPE.

The costs of staffing ADHC programs alone have risen exponentially due to workforce shortages acutely felt by providers of long-term care. Many ADHC staff were moved to the nursing home during COVID-19. Potential staff are offered significantly higher salaries and wages by hospitals and other providers that ADHC are unable to match. Many aides are moving to the hospitality or retail fields for the same wages where the work is less emotionally and physically demanding. ADHC programs are rebuilding from scratch and the current market requires higher salaries, wages, and other costs to deliver services, far short of Medicaid's 2008 reimbursement rates.

ADHC Transportation Rates:

Another significant challenge for reopened ADHC programs is the lack of affordable ADHC transportation for registrants going to and from their homes to ADHC program. ADHC Medicaid transportation rates are insufficient and transportation vendors cannot afford to serve our registrants. Programs struggle to find transportation vendors that will accept the State's 15-year-old Medicaid rate 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.

Transportation vendors are experiencing their own workforce shortages, limiting their ability to serve ADHC programs causing census challenges and access issues for potential registrants. Several of our programs have registrants unable to attend program because of a lack of access to transportation. Registrants who require longer trips in rural areas and trips that are not conducive to multiloading of riders are especially hard to fill as they cost far more than the rate provides.

Both the Method 1 program (ADHC arranged transportation via contract with vendors) and Method 2 program (arranged by state brokers MAS and Modivcare) are operating with inadequate Medicaid reimbursement rates. MAS contracted vendors are also unable to operate with the rates they receive from MAS leaving ADHC programs to spend multiple hours filing complaints and reestablishing transport for registrants. As a side note, ADHC programs prefer Method 1 transportation, which allows them to directly manage transport of this highly vulnerable population by requiring familiar drivers, door to door assistance and adherence to best practices.

This dynamic is causing significant barriers to ADHC programs across the state. It's unconscionable for programs to be in the position of denying admission to registrants because of a lack of Medicaid transportation.

Conclusion

We urge the State to provide a 20% increase in Medicaid rates for ADHC program and ADHC transportation to ensure the future viability of adult day health care. A substantial rate increase is critical to programs reopening and rebuilding post COVID-19 and returning to their former vibrancy.

Both the State and federal government recognize the growing preferences of individuals to age in place and the need for government policy to follow suit. The State acknowledges this goal in its own State Master Plan for Aging calling for policy "to ensure older New Yorkers can live fulfilling lives, in good health, with freedom, dignity and independence to age in place for as long as possible."

ADHC programs are a highly cost-effective provider on the HCBS continuum that offer a full complement skilled services in a day setting so that registrants may live at home and in their communities. They postpone and reduce admissions to more costly institutional settings, reduce emergency room visits and hospital readmissions, and address health concerns promptly to prevent deterioration and more serious conditions for their registrants. With the significant home care aide and nursing shortages and a rapidly expanding population of older New Yorkers, we need to ensure all HCBS options, including adult day health care, remain available in our communities.

For more information, please contact:

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Adult Day Health Care Program Closures

Attachment A

Approximately 53 ADHC programs have reopened of the 116 actively licensed programs in the state. ADHC programs are now nonexistent or limited in most counties and regions of the state and many of the reopened programs are operating at very low census. Many closed programs will likely not reopen without a substantial increase in the ADHC Medicaid rate.

Capital Region - only 1 reopened program, 4 recently permanently closed

Onondaga County - only 1 reopened, 3 temporarily closed

Broome County - 1 reopened

Herkimer - -3 reopened, 1 temporarily closed

Erie County - 2 reopened, 1 temporarily closed

Westchester- 3 reopened, 4 temporarily closed

Rochester -

26 counties have no reopened ADHC programs, though they have at least one or more programs with active licenses: Bronx, Alleghany, Cayuga, Chautauqua, Chemung, Columbia, Fulton, Genesee (reopened program is closing), Jefferson, Lewis, Livingston, Niagara, Ontario, Orange, Putnam, Steuben, Wayne, Warren, Ulster, Seneca, Steuben, Sullivan, Tioga, Ulster, Wyoming, and Yates

NYC and LI:

Bronx - no open ADHC programs, they used to have 14 ADHC programs, 6 are actively licensed but not reopened, 8 are permanently closed

Manhattan – 2 reopened, 5 temporarily closed

Queens - 3 reopened, 6 temporarily closed

Brooklyn - 7 reopened, 6 temporarily closed

Nassau - 2 reopened, 4 temporarily closed

Suffolk - 6 reopened, 6 temporarily closed