

TECHNICAL BRIEF:
ISSUES IMPACTING THE ACCURACY OF THE ADMINISTRATION'S ACCESS ANALYSIS
FOR THE COMMUNITY-BASED ADULT SERVICES PROGRAM

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for
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Executive Summary

Adult day health services are a range of integrated clinical and social services provided in a daytime facility, that are intended to assist frail seniors and persons with disabilities who are at risk of institutional care to continue to live in the community. These services are important to a continuum of care that addresses an elderly population with multiple infirmities and are defined as a core service in California's Coordinated Care Initiative. However, access to adult day health services within that continuum is under threat because of the Medi-Cal rate reduction. Adult Day Health Care (ADHC) attendance has dropped by 9,454 persons since 2010-2011, a reduction of more than 26% of program participants. The state has not done cost effectiveness studies or studies to determine what the outcomes are of this loss of 9,454 persons.

The rate reduction has had a disproportionate impact on adult day health care centers that provide Community-Based Adult Services (CBAS) because these providers, having just suffered elimination in the 2011 state budget, were unable to afford to join other Medi-Cal providers in rate litigation (cost to participate in the litigation was about \$100,000). Therefore, the CBAS rate was cut in December 2011, retroactive to June 2011, and has been in place for more than two years, while most other Medi-Cal provider cuts were deferred by injunction, pending the results of litigation.

The Governor's budget proposal now proposes to "forgive" those past Medi-Cal cuts for other providers but does not provide any relief to CBAS providers. The rate cut is devastating the adult day health care services provider network, with fifty (50) center closures since 1/10/11, representing more than 16% of the state's network of ADHC centers. More closures are imminent; for example, five (5) more centers are currently developing plans to close.

The California Department of Health Care Services (DHCS) is charged with monitoring and ensuring access to appropriate services for the Medi-Cal population. The Department has

maintained that there is “ample capacity”¹ in CBAS and that closures have had “little impact”² on program participants. The Department’s method for determining access is inaccurate and fails to adequately explain or measure the impacts on 3,686 CBAS participants who have lost services. Furthermore, it costs about a million dollars to start a new adult day health care center, so the closures that have already taken place represent about \$50 million dollars’ worth of lost capacity to serve vulnerable Californians who will need alternatives to nursing home care as the population ages. **Restoring the Medi-Cal rate for CBAS providers, estimated to cost less than \$14 million in total, is essential to prevent the further loss of capacity, adverse impacts on frail participants, and permanent loss of infrastructure.**

¹ California Department of Health Care Services. (2013). *California Bridge to Reform Demonstration (11-W-00193/9) Section 1115 Quarterly Report, Demonstration Year: Nine (07/01/13-06/30/14), First Quarter Reporting Period: 07/01/2013 – 09/30/2013*, page 7. This report does not appear to be online.

² *Ibid*, page 8.