

Adult Day Care Rate Increase

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The problem:

Adult day centers provide a coordinated program of professional services for adults in a community-based group setting. Depending upon whether the center is a “social “or “medical” (health) model, services are designed to provide specific services to adults who need supervised care in a safe place outside the home during the day. Adult day services frequently are for less than a full day, and they entail direct care to older adults and younger adults with physical disabilities.

They also meet caregivers' need for respite in order to work, fulfill other obligations, and recover from the demands of continuous caregiving. As baby-boomers continue to age, Georgia will require community-based services, such as adult day health (ADH) centers to avoid seniors being unnecessarily placed in institutions, either for medical reasons or due to the fact that family caregivers may work during the day instead of remaining home with their loved ones.

Georgia ADH centers are funded as “waivered” services under both the Community Care Services Program (CCSP) and SOURCE. In 2015 the House Adult Day Services Study Committee found that the Medicaid reimbursement rate for ADH centers had not been increased since 1998 and that some centers have closed and others are on the brink of doing so, in part because current reimbursement rate does not cover the cost of operations.

During the 2016 legislative session, the General Assembly approved a 5% rate increase for ADH and the federal Centers for Medicare and Medicaid Services recently approved the 5% retroactive to July 1, 2016.

What other states are doing:

- In 2015, Nebraska increased the Medicaid reimbursement for adult day programs from \$24.72 to \$70.00 / day using their Balancing Incentive Program funds.
- Maine’s Medicaid system, MaineCare distinguishes between two levels of Adult Day services: Social, and Health. The rate for both the Social and Health model Adult Day services were increased on November 1, 2014, to \$12.56 /hour across all sections of policy, including state-funded. Within the Medicaid (MaineCare) program, services for Adult Day are paid in quarter hour units. Maine does not currently allow for daily billing.
- Three States—Pennsylvania, Virginia, and Alaska—use geographic rate adjustments to increase reimbursement for Adult Day providers in higher wage urban areas of the state or areas where there are a shortage of paid caregivers

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Adult Day Care Funding (*con't*)

- Delaware has an enhanced rate for participants who need extra support with behavioral health.
- Many states pay Medicaid rates based on the acuity level of the clients or the scope of services provided

This system of reimbursement allows the provider to determine the level of care that they can provide. It helps them remain financially stable.

- Some states pay adult day programs an add on payment based on the services provided (bath, medication administration, transportation, etc.): Texas, Minnesota and Wisconsin
- Some states have incentive payment adjustments and performance and/or quality payment adjustments: California, Minnesota, and Tennessee.

Funding Request:

\$399,670

What this funding would do:

The amount of the FY 2017 budget 5% increase was \$1,241,597 (\$399,670 of which was state funds). We suggest requesting another 5% increase for the same amount of funding: \$1,241,597 (\$399,670 of which was state funds)

Provision of a similar amount would:

- Allow adult day health centers to remain open;
- Decrease the number of seniors and persons with disabilities from living in institutions;
- Provide respite for caretakers, especially those who have given up jobs to be with loved ones; and
- Provide a degree of reassurance to persons who are seeking to open new ADH centers.

Additionally, state budget leaders could be encouraged to provide other, non-Medicaid funds (e.g. non-Medicaid HCBS) to adult day health centers.

Any Opposition:

One potential barrier would be competition for “new” funds in the state budget.

Helpful Resources:

National Adult Day Services Association (www.nadsa.org)

LeadingAge Georgia (www.LeadinAgeGA.org)

National Alzheimer’s Association (www.alz.org)