



## Features

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# Lost Battle Over ADHC Turns to One Big Question: What Now?

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The adult day health care system, as California knows it, is over.

After Gov. Jerry Brown (D) vetoed a scaled-down version of the current system this week, the questions around ADHC have shifted.

Now it's not so much a question of whether there will be a version of an ADHC program in the state, but rather how the system's 35,000 beneficiaries are going to get similar care, and if some of the 300 centers across California can survive.

Those questions will be driven home in the middle of August, when the Department of Health Care Services sends out a letter to all ADHC beneficiaries, informing them of the state's decision to eliminate Medi-Cal coverage for the program. Medi-Cal is California's Medicaid program. Because the bulk of the program's participants are low-income seniors or have disabilities, the loss of the Medi-Cal benefit effectively means the loss of the program.

ADHC provides services similar to nursing homes -- physical therapy, nursing and psychiatric care, and social services -- in a daytime setting. The idea is to provide nursing home services during the day so that participants can continue living at home.

"There will be some ADHC centers that can remain open," according to Lydia Missaelides, executive director of the California Association of Adult Day Services. "That would mostly likely be fee-for-service."

She estimates about 5%, or about 15, of the centers could survive statewide, but that estimate could change as the transition toward a Dec. 1 elimination date takes shape. So far this year, 17 centers have shut down, and that number is likely to rapidly accelerate after the Brown veto of a similar but smaller program that had been approved by the Legislature.

A lawsuit challenging the elimination of ADHC as a Medi-Cal benefit is scheduled to be heard on Nov. 1. Many in the ADHC community hold out hope that the courts could reverse the state's move. But that would happen only if the state's transition plan is deemed inadequate.

### 'A Plan in Place'

Norman Williams, DHCS spokesperson, has said the same thing since the issue arose -- people in the program will be cared for.

"We've been working on the transition for quite some time. We have a plan in place," Williams said.

That plan has been the center of concern for ADHC participants and advocates. They say that, so far, the plan has been long on referrals and short on details. Those suggested referrals, they say, have been to programs that either don't have room or don't provide similar services.

For example, although In-Home Supportive Services often has been cited as a possible option, the program does not provide the medical component that many ADHC patients need, according to Assembly member Bob Blumenfield (D-Woodland Hills). Blumenfield authored the vetoed bill (AB 96) that would have created a scaled-down version of ADHC.

"You can't just transfer everyone to IHSS," Blumenfield said. "It's not a medical program. And it doesn't have that kind of capacity, anyway."

Besides, he said, many of the people in ADHC already receive the maximum amount of in-home services, too.

"You look at someone who is receiving a mix of things, IHSS and ADHC, and you say, what are the options for that person now?" Blumenfield said. "There's a nursing home, which is much more expensive to the state. This is a real dilemma, and we're working to solve it."

And then there is the issue of communication. DHCS officials said they have conducted 8,000 reviews of ADHC beneficiaries' cases and have been in constant contact with agencies and with the ADHC centers.

"The centers are a part of the plan, in that we're working with and communicating with the beneficiaries," Williams said. "We've been working with many partners and with the ADHC centers themselves. We've been talking to them about the discharge plan, about all facets of the issue."

According to Missaelides and a number of ADHC center directors, there has been almost no contact from DHCS so far.

"They never talked to me," Tracy McCloud, director of the Institute on Aging's ADHC center in San Francisco, said.

The institute's operation -- the first ADHC center in California, launched in 1975 -- closed its doors at the end of June. McCloud already has gone through what most of the centers will need to do -- help find alternative services for their ADHC beneficiaries. She said she did that with no help from the state.

"It was our job to find services for everyone," McCloud said. "Many were not eligible for PACE (Program of All-Inclusive Care for the Elderly). Many of them went to other ADHC centers. But there wasn't really much choice for them."

DHCS recently received federal approval to extend the elimination deadline and to keep paying ADHC centers for an additional three months, until Dec. 1. That will give everyone time to work out the transition details, Williams said.

"The extra 90 days gives a bit of certainty to the situation," Williams said. "The plan specifically helps identify service alternatives. And there is a website -- an ADHC transition site -- which is going to be a good source as an exchange of information."

## Reasons for Elimination

ADHC supporters say cutting the program will end up costing the state money instead of reducing spending because it will mean more trips to the emergency department, more use of adult protective services, and many more people moving out of their own houses and into expensive nursing homes.

Blumenfield estimates that if 20% of ADHC beneficiaries end up in nursing homes, the state will lose whatever savings it realized by cutting the benefit.

If ADHC is so cost-effective, and so humane to low-income seniors and individuals with disabilities, if it keeps people in their homes and might actually save the state money, then why is the state so set on eliminating it?

"This has been going on for a long time," according to Stan Rosenstein, former chief deputy director of Medicaid services for DHCS. "There has been a lot of concern over the past eight or nine years. So it's not a new issue."

Although ADHC serves low-income Medi-Cal beneficiaries, it's a for-profit service, Rosenstein pointed out. A culture of distrust over ADHC sprung up about a decade ago, he said, over suspicions of fraud. The state also feels it has little control over utilization rates, he said.

"They (state officials) had a difficult time saying you can't have five days [of ADHC] a week, you need three days," Rosenstein said. "At one point, they tried to limit services to three days a week, and they couldn't do it. That led them to believe that, if they can't put on limits, they can eliminate it as an optional benefit."

DHCS is in a tough spot right now, Rosenstein said.

"The department has had a difficult task in terms of implementing this," he said. "They have no money, they have no staff, at the same time they're dealing with making cuts [in the department] pretty heavily."

Some political insiders have pointed out that, given the financial stress DHCS has faced, it actually makes sense for the department to eliminate ADHC. Department officials need to cut something, and ADHC is not a department program.

Further, according to Rosenstein, there are not a lot of optional benefits left to cut in Medi-Cal. "It's hard to get savings in Medi-Cal, in general," he said. "The environment is so difficult that I suspect people will get savings wherever they can at this point."

The department is clearly trying to do the right thing by ADHC beneficiaries, Rosenstein said, cautioning that it's important to remember that it takes time to figure out how to help them. "I would credit [DHCS] with doing the prudent thing here," he said, "by delaying implementation."

DHCS now has \$85 million to work with, money that had been intended by the Legislature to start the KAFI program (the scaled-back version of ADHC known as Keeping Adults Free from Institutions that was vetoed by Brown). And it has a court-related deadline of Nov. 1 to get a good plan in place.

"The challenge is, how does that program get implemented in a timely manner?" Rosenstein said. "Will they really be able to implement this in time?"

## Orders in the Court

"The state has not done an adequate job in providing alternatives, that's clear," Elissa Gershon of Disability Rights California said. Disability Rights brought the lawsuit that says the state can't eliminate the ADHC benefit without providing some other help.

Delaying the court hearing until Nov. 1, Gershon said, gives the state more time to put a better plan in place.

"The court essentially said [DHCS] needs an adequate transition plan," Gershon said. "They've been given a second chance. They weren't ready, and we'll see if they can pull it together in 90 days."

State officials have made similar statements, that DHCS is looking forward to having the extra time to do the transition in the right way for everyone.

DHCS has come up with a number of possible alternatives, Williams said, including a possible expansion of IHSS and use of a waiver called the In-Home Operations waiver.

"We are looking for a seamless transition," Gershon said. "Our lawsuit is not about saving ADHC, per se, but to make sure people have the services to continue living at home."

That is precisely what the state wants to do, Williams said.

"What we're working on now is putting the transition plan in place," Williams said. "The effort by the state so far, everything has been done to help people remain free from institutionalization. What we're looking at are alternatives to the ADHC services, and where they would come from. We're working aggressively to come up with best methods for delivery of care."

Letters to ADHC beneficiaries should go out in a week or two -- right around the time Assembly member Mariko Yamada (D-Davis) is holding a legislative hearing on ADHC. That hearing is scheduled for Aug. 16, the day after legislators return from recess.