

Adult day care in a quandary

Budget cuts could force closure of centers, putting added pressures on nursing homes and families

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At any given moment, seniors at Grace Adult Day Health Care Center in Sunnyvale may be exercising on stationary bikes, gabbing over lunch, playing word games or bending over an intense chess match.

This day care center for the old and infirm is the kind of place that health care experts say is critical to keeping the elderly in their communities and out of costly nursing homes.

Yet with state lawmakers slashing funding for adult day care centers' programs by more than half, co-owners Manooch and Suzanne Pouransari are now facing the prospect of closing their doors.

And the ultimate irony? The Pouransaris are considering opening a nursing home.

The dilemma for adult day care centers exemplifies a collision taking place across California between federal health initiatives and state budget cuts. Even as the federal government devotes increasing sums to keeping people out of institutions, state spending reductions are gutting many programs that provide the best alternatives.

In Santa Clara and other California counties, the federal government is spending \$10 billion over five years to expand public health programs to uninsured residents in advance of 2014, when the major provisions of the national health care overhaul kick in. This "Bridge to Reform" directs participating counties to better manage chronic diseases before patients land in emergency care.

But those efforts are undermined by cuts to the very community-based programs that do just that.

"The bizarre disconnect is that we know that home-based care is the answer," said Cheryl Phillips, outgoing chief medical officer of On Lok, a longtime provider of community-based long-term care in the San Francisco Bay Area. "But in our (budget) crisis, we can't seem to have the short-term dollars to pay for the long-term solution." The Pouransaris' preference is to keep their center open, but they may have no choice.

"Even if we put just 50 people in a nursing home," Suzanne Pouransari said, "it will cost the state more than keeping the whole (adult day health care) center open."



Suzanne Pouransari comforts Daisy Ong, 84, during an evaluation at the Grace Adult Day Health Care Center in Sunnyvale. Pouransari is co-owner of the facility. (GARY REYES/San Jose Mercury News)



Participants at the Grace Adult Day Health Care Center in Sunnyvale take part in an exercise program on April 27. At front center is Effat Abari, 91. (GARY REYES/San Jose Mercury News)

On a typical day, about 135 people attend Grace. All are on Medi-Cal, the state's Medicaid health insurance program for low-income residents, meaning the center is entirely dependent on government funding.

At least one-third have Alzheimer's disease or dementia and the rest have a variety of chronic conditions, including hypertension, diabetes and arthritis, Manooch Pouransari said.

The center offers medical services, physical and speech therapy, meals and social stimulation. Vans pick up participants at their homes in the morning and take them back in the afternoon.

One participant is Estela Diaz, 70, who has diabetes and dementia, and has been coming to Grace for two years. Not long ago, she ate some sugary treats from a care package meant for her granddaughters.

"She forgets she can't have candy," said daughter Ida Pritchard, 41, of San Jose.

When a nurse at Grace checked Diaz's blood sugar, it registered at a whopping 545, at least four times the normal level. Pritchard's husband, David, sped over and took Diaz to the emergency room. Of Grace, he said, "You know she's taken care of."

If the center closes, some participants will go to nursing homes and some family members may leave their jobs to care for loved ones.

"I don't know how it's going to work out," Suzanne Pouransari said. "It's going to be chaos."

Grace is among 310 centers statewide that serve about 38,500 people, according to the Department of Health Care Services. Medi-Cal pays \$76.27 per day for adult day health care, compared with the average daily rate for nursing homes of \$173.34. Medi-Cal participants don't pay out of pocket for either service.

Adult day health programs are an optional Medi-Cal benefit that can be trimmed; nursing homes are required by law and cannot be cut.

"Is it something legislators want to do? Of course not," said Matt Salo, executive director of the National Association of Medicaid Directors. "But we've come to the end of our calculation here. There's really just no other option."

According to a study by the Lewin Group last year, eliminating adult day health care wouldn't save the state money, and in fact would add \$51.6 million in costs in the first year — primarily because participants would shift to other state-funded programs or nursing homes. The study projected that losses would rise in subsequent years as California's population aged. The Lewin group, a consulting firm, completed the report for the Congress of California Seniors.

Nevertheless, confronted with a budget deficit of more than \$25 billion, California lawmakers voted in March to eliminate adult day health care and cut the \$177 million in state general fund dollars allocated to it for next fiscal year. They directed state health officials to create a replacement program or alternative services with \$85 million in state money and additional federal funds that will serve people with more acute medical needs.

State health officials hope to transition those now in adult day care into other community-based programs, said Gregory Franklin, deputy director for health care operations for the Department of Health Care Services.

Although no one knows exactly what the new program will look like, this much is clear: Some centers will shutter and the program will cater to fewer people, said Lydia Missaelides, executive director of the California Association for Adult Day Services. Already, she noted, centers in San Francisco, Sonoma, Lodi and Ukiah have announced they're closing.

Meanwhile, the federal government is pushing noninstitutional care hard.

One provision under the health care overhaul, called the Community First Choice Option, allows states to apply for a greater share of federal matching funds for home- and community-based services offered by Medicaid. California may apply, Franklin said.

But federal initiatives are butting up against state cuts to community-based programs, creating tension at local levels.

Last year, California hammered out its multibillion-dollar "Bridge to Reform" agreement with the federal government to expand Medi-Cal to hundreds of thousands of Californians. Santa Clara County participated in the early version of this program, and is preparing to start enrolling residents in the new one this summer, said Michael Lipman of the Santa Clara Valley Health & Hospital System.

Under the new program, people who make up to 75percent of the federal poverty level, which is \$10,890 for an individual, can apply. Childless adults, who previously did not qualify for Medi-Cal, will be among those eligible.

The county is planning for up to 30,000 participants by 2014, whose care will be managed to avoid hospital and nursing home stays, Lipman said.

"Health care reform is driving us to ... re-emphasize public health and prevention and aggressive management of chronic diseases," he said. "Unfortunately, the foundation for the safety net and the funding from the state for Medi-Cal is crumbling. We're reducing the services to the same population we're trying to manage."

For Diaz and her family, the Medi-Cal cuts are personal.

Diaz moved into her daughter's home about six years ago after a series of strokes.

"I can't stay with her or pay someone to stay with her," said Pritchard, a preschool teacher whose eyes well up when discussing her mom's fate should Grace close. "I would have to put her in a home."

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