



**CAADS**

California Association for Adult Day Services

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## Applying for an Adult Day Health Care (ADHC) Center License in California

(Updated 2008-02-25)

Adult Day Health Care is a daytime organized program designed to meet the unique needs of **medically** frail elders or other adults with physical or mental impairments in by providing health and social services therapeutic activities, meals, and supervised personal care in a safe community setting.

**Adult Day Health Care (ADHC)** centers are licensed by the California Department of Public Health (CDPH), as a health care facility, and may be certified for Medi-Cal payment by the California Department of Aging (CDA).

ADHC provides medical, rehabilitative and social services to **medically** frail elderly persons and other adults with functional impairments, either physical or mental, for the purpose of preventing nursing home placement or utilization of more expensive health services such as emergency rooms and hospital stays. Each participant must have a physician referral, undergo a multi-disciplinary assessment and agree to an individual plan of care, which is carried out by a team of professionals. Medi-Cal eligible persons must be pre-authorized by the Medi-Cal field office to attend the program on a regular planned basis.

ADHC is a Medi-Cal "optional" benefit, with a daily reimbursement rate of \$76.22 (Fiscal Year 2007-08) which must be used to provide all required services. On February 15, 2008, the Governor signed an emergency budget bill which will reduce the daily rate by 10% (to \$68.60), effective July 1, 2008.

### Current and Future Status of ADHC Program

#### **Moratorium**

- In August 2004, a moratorium on new and existing applications for Medi-Cal certification for ADHC went into effect. The State may certify facilities if they meet specific exemption criteria, using their discretion. The exemption criteria is located on the CAADS Web site. The State has chosen not to certify new programs, however.
- CDPH may grant a facility license to operate during the moratorium, but Medi-Cal certification is not available. This means that while a center may legally operate with a health facility license, the center will need to rely upon private pay patients exclusively.

#### **Program Reforms**

The ADHC program is currently undergoing significant reforms in order to comply with the federal government's Medicaid rules for "optional benefits" under the Medicaid State Plan.

These reforms include a number of operational and eligibility changes, including but not limited to:

- **A revised medical necessity criteria**
- **A new Individual Plan of Care (IPC)**
- **Clarification of the role of the physician**
- **New rate and methodology and billing structure that may involve a lower rate of payment for some providers.**

During this time of change and transition to new state-mandated requirements, potential ADHC providers may wish to consider delaying submission of a licensing application until such time as new rules are in place and the moratorium is lifted. In the interim, an Adult Day Program (ADP) license from the Department of Social Services may serve as a lower cost start-up alternative for the private pay population.

#### **For more information about ADHC Licensure contact:**

##### **Orange County District Office (Southern CA)**

Licensing and Certification Division  
CA Department of Public Health  
2150 Towne Center Place, Suite 210  
Anaheim, California 92806  
(714) 456-0630 or (800) 228-5234 ~ Fax: (714) 456-0643

##### **San Jose District Office (Northern CA)**

Licensing and Certification Division  
CA Department of Public Health  
100 Paseo de San Antonio, Suite 235  
San Jose, California 95113  
(408) 277-1784 or (800) 554-0348 ~ Fax: (408) 277-1032

#### **Certification of Licensed Centers**

CA Department of Aging – ADHC Branch  
1300 National Drive, Suite 200  
Sacramento, CA 95834  
Tel: (916) 419-7545 ~ Fax: 916-928-2507