



CAADS – 2009 ANNUAL REPORT

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Woodland

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Core Purpose

The purpose of the California Association for Adult Day Services (CAADS) is to inspire, provide leadership and facilitate the success of its members who support and assist people with long-term challenges in realizing their individual potential.

Core Values

Making a difference through leadership and pioneering actions

- Serving individuals, families, and community with compassion
- Respect for individuality and independence at all stages of life
- Achieving excellence through innovation, creativity, resourcefulness, and change

Envisioned Future

To Revolutionize the Delivery of Long Term Care

CALIFORNIA ASSOCIATION FOR ADULT DAY SERVICES

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CALIFORNIA ASSOCIATION FOR ADULT DAY SERVICES

ADVOCACY

Relationships with policy leaders and decision makers are the key to CAADS' ability to successfully advocate for California adult day services providers, participants and families.

During the 2009 year, CAADS:

- **Met with 75 legislators** and their staff at the State Capitol to urge action on a number of issues, not the least of which was the historic state budget crisis affecting virtually all adult day services programs.
 - **Met numerous times with high-level California Department of Health Care Services officials** regarding SB 117 on implementation of the ADHC unbundled rate and other critical issues affecting Adult Day Health Care providers.
 - **Negotiated the use of CAADS' Separately Billable Services Guidance Paper** for publication in the California Department of Health Care Services Provider Manual.
 - **Met with California Department of Health Care Services Audits and Investigations Branch officials** to discuss the scope and purpose of medical review audits, which resulted in a 50% reduction in A&I visits to ADHCs, pending possible alternatives.
 - **Actively participated on the Health and Human Services Agency's Olmstead Advisory Committee.** CAADS Executive Director Lydia Missaelides, MHA, appointed by Secretary Kim Belshé to serve as a member of the committee, continued to represent Adult Day Services and speak out on emerging long-term, community-based care issues.
 - **Conducted site tours of ADHC centers for 33 key staff** from the Legislature, Legislative Analyst's Office, and Department of Health Care Services.
 - **Coordinated seven Sacramento "fly-in days" to address the Governor's three rounds of budget revision releases.** Delegations of providers from various communities throughout the state volunteered to come to Sacramento and CAADS coordinated their advocacy efforts to focus on visits with Budget Conference Committee members. During crowded Budget Conference Committee hearings that limited testimony to 90 seconds or less (the usual budget committee hearings were not held this year), CAADS coordinated testimony of witnesses to ensure the ADHC and ADP voice would be heard. By having multiple providers testify in a coordinated manner, more facts and information were provided to budget committee members.
 - **Held meetings with California's congressional representatives and their staff in Washington, DC** to advance efforts to get ADHC as a state plan benefit "grandfathered" into federal law. Under CAADS leadership and with funds from California and New York providers, the Federal Advocacy Committee was able to sustain this four year effort.
 - **Secured Congresswoman Doris Matsui's (D-Sacramento CA) ADHC amendment** in the House of Representatives Energy and Commerce Committee health care reform legislation.
 - **Supported H.R. 3043 Rep. Sanchez (D-Cerritos CA) to make ADHC a substitute Medicare benefit.**
- Continuing to develop and build on these relationships allows CAADS to be the "unified voice" for its members, and to actively lobby the Legislature and work with the state in developing new policies, procedures and compliance tools.

PUBLIC POLICY

STATE BUDGET CRISIS

The 2009-10 State Budget delay pushed ADHC providers to crisis point, and demanded exceptional efforts by CAADS to help centers remain open.

The Governor released three rounds of revisions to his budget proposals, as recession driven state revenues plummeted. The Governor's initial proposal limited ADHC services to three days per week. His final proposal eliminated ADHC as an optional Medi-Cal benefit.

Multiple emergency fly-in days were held for CAADS members to meet with legislators. More than 20 CAADS members testified at budget hearings about the impact budget proposals would have on ADHC beneficiaries.

As the final version of the budget bill emerged from behind closed doors, ADHC services were capped at three days per week and medical necessity criteria was changed with the goal of making 40% of current ADHC beneficiaries ineligible.

The Governor's response to the state's fiscal crisis included a proposal to increase **Adult Day Program** licensing fees by 96%. This increase was an effort to fund new activities of the Community Care Licensing Division at the Department of Social Services. CAADS questioned the validity of the new "activities" and successfully lobbied to reduce the proposed increase to only 10%.

CAADS-SPONSORED BILLS

CAADS Legislative Committee and staff monitored 62 bills and took positions on 14. Two CAADS-sponsored bills were introduced in 2009:

SB 117 (Corbett) **SIGNED**

A one year bill that delayed the implementation of the unbundled ADHC rate and made other technical changes.

AB 369 (Yamada) **VETOED**

Would have exempted state-owned and operated ADHCs from the moratorium on Medi-Cal certification. In 2002, the California

Department of Veterans Affairs began planning and publically financing two large campuses to provide multiple level housing and care, including ADHC.

OTHER KEY BILLS CAADS SUPPORTED

AB 292 (Yamada) **SIGNED**

Allows the Alzheimer's disease donation box to continue to appear on California personal income tax returns.

AB 367 (Galgiani) **FAILED**

Would have increased the interim payment fund used to pay Medi-Cal providers during budget stalemates.

AB 392 (Feuer) **SIGNED**

Creates a special fund for the Ombudsman program via nursing facility provider penalties and fines. The Ombudsman program lost a significant amount of funding with the Governor's line item vetoes last year. This bill provides a source to replace that funding.

SB 762 (Lowenthal) **SIGNED**

Clarifies the definition of "bedridden" to provide protection from other regulatory efforts. Clarifies the Department of Social Services responsibilities and jurisdiction over Community Care Licensed programs.

LEGAL EFFORTS / ACTIVITIES

In February, CAADS and four other provider associations joined forces to file a legal complaint in federal court to stop a 5% Medi-Cal reimbursement rate reduction, scheduled to begin March 1, 2009. A preliminary injunction was granted on March 9, for ADHC and pharmacists, blocking the rate cut.

Another lawsuit filed in federal court on August 18, by Disability Rights California, AARP Legal Foundation and the National Senior Citizens Law Center challenged the legality of the ADHC three-day cap and new medical necessity criteria. Plaintiff's motion for a preliminary injunction to block the three-day cap was granted by the Ninth Circuit Federal Court on September 10, temporarily restoring the full ADHC benefit to more than 8,000 participants.

PUBLIC AWARENESS

2009 was a banner year for CAADS' public awareness efforts, primarily due to the state budget crisis.

CAADS clipped 130 news articles related to adult day services in California, and 15 of them cited the California Association for Adult Day Services and/or included a quote from Executive Director Lydia Missaelides:

- 95 impact of state budget crisis** on adult day services in California
- 14 legal filings and rulings** related to ADHC provider rate cuts and a three-day cap on ADHC services in California
- 4 federal legislation** initiated by CAADS
- 17 general interest stories** about adult day services in California

MEMBERSHIP

As of November 4, 2009, CAADS had achieved a **record high total membership of 257**, topping the 2003 record of 244. A near record **66 new members** was surpassed only in 2001 with a record high 81.

EDUCATION AND TRAINING

In addition to the CAADS Annual Conference, to meet the essential education and training needs of adult day services providers during this year of change and crisis CAADS conducted the following:

Feb 26 **CAADS Winter Meeting**

ADP: Growth | Marketing
ADHC: Revenue Diversification | New Cost Report | Medi-Cal Coding, TARs & Billing | Documentation

Mar 12 **Members Only Teleconference**

State Budget | ADHC Rate Cuts | Federal Advocacy

Apr 21 **CAADS Spring Meeting Education Day**

ADP: Growth | Marketing
ADHC New Cost Report | Documentation

May 14 **Members Only Teleconference**

State Budget Crisis | Lawsuit | Federal Advocacy

Jul 1 **Members Only Teleconference**

State Budget Crisis

Aug 5 **Members Only Teleconference**

State Budget Crisis | Lawsuit | Federal Advocacy

Aug 11 **Members Only Teleconference**

ADCRC Funding Elimination

Aug 28 **Members Only Teleconference**

ADHC 3-Day Cap | CAADS SBS Guidance Paper

2009 CAADS MEMBERSHIP REPORT

Members

As of December 31, 2008	221	
Inactivated Since January 1, 2009	30	
New Since January 1, 2009	66	
Total Members as of November 4, 2009		257 (16%)
Licensed Providers	197	
Pre-Licensed Providers	13	
Associate	47	

AUDITED STATEMENT OF CAADS FINANCIAL POSITION AS OF DECEMBER 31, 2008

BALANCE SHEET

ASSETS

Current Assets	\$ 188,777
Fixed Assets	\$ 11,424
Other Assets	\$ 1,787
Total Assets	\$ 201,988

LIABILITIES

Current Liabilities	\$ 149,744
Net Assets	\$ 52,244
Total Liabilities & Net Assets	\$ 201,988

STATEMENT OF INCOME AND EXPENSE

REVENUE

Dues	\$ 355,068
Other Income	\$ 331,733
Total Revenue	\$ 686,801
Total Expense	\$691,926

Changes in Net Assets	\$ 33,123	\$ (5,125)
NET ASSETS, BEGINNING OF YEAR	\$ 57,369	
NET ASSETS, END OF YEAR	\$ 52,224	

Auditors: Thompson, Noble Company, LLC, Sacramento, CA