



Elimination of Adult Day Health Care (ADHC) Facilities

Governor's March 1st Move to Eliminate ADHC Costs More Than It Saves

Elimination means:

- **Loss of more than 7,600 jobs**, as centers lay off personnel, adding **\$94 M** to the state Unemployment Insurance Fund's largest ever shortfall. Another **13,892 working middle class Californians will be forced to quit their jobs** to take care of their loved one, adding to further loss of income tax revenue.
- **Increased costs to the state** as thousands of elderly, mentally ill and Alzheimer's patients are pushed into overcrowded E.R.s, hospitals and nursing homes for medical crises. Survey data show, at minimum, **\$221.4 M** in Medi-Cal State General Fund costs will shift to hospitals and nursing facilities - **\$88.7 M more than the Governor's proposed \$134.7 M** General Fund savings.
- **Loss of \$216 M in federal matching funds**. It is inconceivable to think California would give up federal money that it currently has in hand at the same time the Governor is calling on the federal government to give California more money to sustain important state health programs.
- **Simply shifts costs to the Department of Developmental Services**. An estimated 4% to 6% of ADHC beneficiaries (1,500 to 2,200) have developmental disabilities and are entitled to services under the state's Lanterman Act. However, when ADHC centers close, they will lose their ongoing medical care and monitoring and comparable services are simply not available.
- **IHSS cannot serve as a substitute medical service**. IHSS is not designed to provide skilled nursing care, skilled therapies or ongoing assessment by skilled medical professionals.

The "paper savings" generated by eliminating all of the state's 327 Adult Day Health Care facilities will cost more in dollars and lives than it saves. The Legislature REJECTED the elimination of ADHC last year, and instead approved a compromise that tightened eligibility criteria for admission into the ADHC program (AB4X 5).

THE ALTERNATIVE

Support Assemblymember Bonnie Lowenthal's legislation to amend eligibility criteria to conform with federal laws and to clarify definitions [Legislative bill # is pending]

- Makes criteria legally compliant with federal Americans with Disabilities Act, Olmstead Supreme Court decision and federal Medicaid law while continuing the state Legislature's policy of targeting ADHC to the most needy beneficiaries. A federal judge ruled that the newly enacted statutes limiting the ADHC benefit to three days per week were in violation of these federal laws (*Brantley v. Maxwell-Jolly, 2009*) and temporarily stopped implementation. Disability Rights-CA also filed a motion in federal court challenging new ADHC eligibility criteria. Decision pending.
- Reduces number of beneficiaries by targeting services to those most in need, to achieve projected budget savings, while maintaining the viability of the ADHC program model.
- Clarifies key definitions and terms, because Department of Health Care Services (DHCS) is not required to write regulations and is not providing interpretive guidance to ADHCs or the public.

PROGRAM FACTS

- ✓ Designed to serve low income, medically at-risk adults. Provides cost effective skilled nursing; mental health services; social work; physical, occupational, and speech therapy; medication management; dietary services and transportation. Serves 37,000 beneficiaries assessed by a multidisciplinary team and authorized by Medi-Cal to be at risk of institutional care (nursing facility, emergency room and hospitalization).