

## STATE ANNOUNCES SETTLEMENT OF ADHC LAWSUIT

### **New Community Based Program to Assist Participants with Greatest Need**

SACRAMENTO – The California Department of Health Care Services (DHCS) today announced the settlement of a lawsuit that challenged the elimination of the optional Adult Day Health Care (ADHC) benefit. The settlement provides for the continued delivery of essential healthcare services to vulnerable poor and elderly residents. As a result of this fiscally responsible settlement, the state will begin to immediately achieve General Fund savings, which will be approximately \$28 million in 2011-12, increasing to \$92 million in 2012-13.

Under the settlement, the ADHC program will be phased out and replaced on March 1, 2012 with a new program called Community-Based Adult Services (CBAS) that will provide necessary medical and social services to those with the greatest need. It is estimated that roughly half of current ADHC participants will qualify for the new program. Eligibility to participate in CBAS will be determined by state medical professionals on the basis of medical need, and the benefits provided will be coordinated with managed care plans.

DHCS has extended the ADHC benefit for an additional 90 days, until February 29, 2012, to allow those in need to transfer into the new program.

“I am pleased that we were able to come to an agreement that settles the legal dispute over the elimination of the Adult Day Health Care benefit,” said DHCS Director Toby Douglas. “This agreement upholds the state’s commitment to provide essential care and services to those most in need efficiently and economically.”

Douglas thanked the plaintiffs and Disability Rights California (DRC) for their work and expertise in resolving the case and for their help in developing the new program.

The State’s decision to eliminate the ADHC benefit was made in response to California’s severe budget shortfall.