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## MASSACHUSETTS ADULT DAY SERVICES ASSOCIATION

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**PRESS RELEASE**

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### **New Medicaid regs will shutter many Adult Day Health Programs across the State**

In an effort to cut \$6M in Medicaid spending, the Executive Offices of Health and Human Services and the Office of Medicaid implemented **new regulations governing Adult Day Health Services** that are **having a devastating effect on the quality of and access to Adult Day Health Services (ADH) in Massachusetts**. The new regulations went into effect on November 15, 2009. (130 CMR 404.)

The new regulations are requiring Adult Day Health programs to place their low-income frail, elder and disabled clients into the State's new, low-level service model called Health Promotion and Prevention (HPP). This new model, which is akin to a social day program, not only reduces staffing ratios from 1 for every 6 participants to 1/10, but also eliminates funding for ADH registered nurses, jeopardizing the quality of care. To realize the \$6M budget cut Medicaid is looking for, they will now reimburse providers just \$27 for a six-hour day (vs. the previous rate of \$53.93 for "Basic ADH").

Client eligibility qualifications are no longer based on Adult Day Health's thirty-year track record with a highly successful community based nursing model. Instead, they are based primarily on an individual's ability to attend to their own personal care and pay no heed to the physical and mental health care needs associated with complex diagnoses including diabetes, stroke, heart disease, depression and dementia.

**Under these new regulations, at least 50% of participants in Adult Day Health programs throughout the state are no longer eligible for the Basic level of care and will be shifted to Medicaid's new program, Health Promotion and Prevention (HPP).** The HPP reimbursement level of \$27.86 per day is inadequate to meet the costs of running an adult day health program. It is less than what is paid to transport participants to and from programs. Recently "audited" dementia care programs were told that 96% of their clients no longer qualified for dementia day services. For dementia clients who are physically stable, the highest level of care is no longer available to them, forcing them into un-secured, lower-levels of care where they are simply not safe.



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### The result of the new regulations?

10,000 elder and disabled individuals and their families are served by Adult Day Health programs in Massachusetts. Programs cannot operate with a \$27.00 reimbursement per day, forcing programs to close. The first to close is Labouré Adult Day Health in South Boston, a highly respected ADH Program, which is closing on December 31 as a direct result of the new regulations and the drastic reduction in reimbursement.

Seven other ADH programs have already reported to MADSA that they are at imminent risk of closing and surely dozens more will follow if the regulations are not rescinded.

Other programs are being forced to discharge many of their frail elders and disabled who are no longer eligible for Basic level of care because the newly reduced staffing requirements of 10/1 poses significant quality and safety issues and there is no longer funding for a registered nurse.

Although the Governor recently rescinded some Medicaid budget cuts, adult day health programs have not been restored.

**Is the State *really* going to save \$6M from these draconian new regulations for eligibility and a drastic 50% cut in reimbursement?**

Our low income elders and disabled will end up in nursing homes at a greater cost to the state!

**The state pays:** \$58,000 per year on average for a person in a nursing home through Medicaid vs. \$15,000 per year on average for a person in an ADH program, including transportation. A difference of \$43,000 per year per person.

Even if ONLY 500 ADH participants who are discharged from ADH or are displaced due to program closure end up in nursing homes, the additional cost to the state would be \$21.5M annually.

If only 100 end up in nursing homes, a conservative number, the cost to the state would be \$6.45M.