

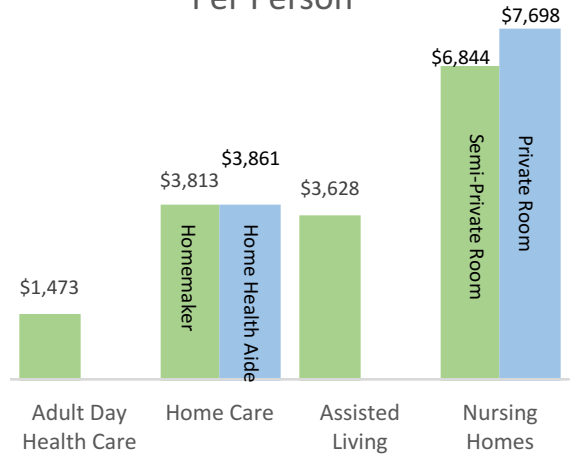
Adult Day Services

The Most Cost-Effective Option in Long-Term Care Today

Adult Day Services At A Glance

- There are an estimated 5,500 adult day centers in the U.S.⁵ (8% of all regulated long term care providers)⁶
- Adult day services reduce readmission and emergency department visits¹
- Participants stay healthier and less lonely in the daily presence of family members
- Provides supervised care while individuals can still live at home with family/caregivers; 74% of participants live in private residences²
- Services are designed to support seniors (64%) and younger adults with disabilities (36%)³
- Daily social and therapeutic activities provide stimulation and improve mental cognition
- Enhances the quality of life of participants and their families⁴
- **More funding for adult day services decreases Medicaid costs by reducing full-time institutional care while still providing consistent health monitoring and socialization**

National Median Monthly Cost Per Person⁷



Adult Day Is Best By Comparison

	Adult Day Services	Home Care	Assisted Living	Nursing Homes
Per-Day Median Cost in United States in 2016 ⁸	\$68	\$125	\$119	\$225/253
Annual Comparison ⁸	\$17,680	\$46,332	\$43,539	\$82,125/92,378
Designed for Seniors	Y	Y	Y	Y
Designed for Adults with Intellectual or Developmental Needs	Y	Y		
Flexibility to Receive Care only on Days Needed	Y	Y		
Continue to live at home with family and loved ones	Y	Y		
Nursing Care as needed during the day	Y		Y	Y
Medications Monitored and Supervised as needed during the day	Y		Y	Y
Dietician oversees meal plan and eating is monitored daily	Y			Y
Individual and Group Therapeutic Activities for Body, Mind, Spirit	Y			Y
Social Opportunities with Peers under Caring Supervision	Y			Y
Transportation with Door-to-Door Assistance in many cases	Y			



¹ Jones K, Tullai-McGuinness S, Dolansky M, Farag A, Krivanek M, Matthews L. Expanded Adult Day Program as a Transition from Hospital to Home, *Policy Politics Nursing Practice*, February 2011 12:18-26. ²Harris-Kojetin L, Sengupta M, Park-Lee, Valverde R. Long-term care services in the United States: 2013 overview. Hyattsville, MD: National Center for Health Statistics. 2013. ³Ibid. ⁴Fields N, Anderson K, DabelkoSchoeny H. The Effectiveness of Adult Day Services for Older Adults: A Review of the Literature from 2000 to 2011. *Journal of Applied Gerontology* 2014 33:130. ⁵National Adult Day Services Association ⁶Harris-Kojetin et al, 2013. ⁷Genworth Financial Cost of Care Study 2016. ⁸Ibid.



MODERNIZE VETERANS ACCESS TO ADULT DAY SERVICES

The Veterans Administration (VA) has long recognized the value of Adult Day Services (ADS) to returning wounded veterans and has tried to provide ADS to veterans. Unfortunately, because of burdensome military procurement procedures that regulate health care contracts as though they were a purchase order for a fleet of battleships, civilian health care and long-term care service providers are dissuaded from contracting with the VA.

As a result, our wounded warriors find that often they cannot receive the long-term care they need in either a nursing home or thru the more cost-effective alternative of adult day services unless they travel long distances or relocate away from their families and communities.

In 2015 Rep. Lee Zeldin (R-NY) with 50 bi-partisan sponsors introduced H.R. 2460 directing the Secretary of Veterans Affairs to enter agreements or contracts with state veteran homes to pay for a medical supervision model of Adult Day Services in lieu of nursing home care for clinically eligible veterans for a specific service related disability or with at least a 70% service related disability.

Rep. Zeldin has reintroduced this legislation as **H.R. 1005**, The State Veterans Home Adult Day Health Care Improvement Act of 2017, and Senator Orrin Hatch (R-UT) has introduced **S. 324** with identical provisions. Payment under each agreement or contract between the VA and a state home must equal 65% of the payment that the VA would otherwise pay to the state home if the veteran were receiving nursing home care. The bills define medical supervision of adult day health care as including “the coordination of physician services, dental services, the administration of drugs, and such other requirements as the VA may determine”.

NADSA respectfully urges all Members of Congress and Senators to support these bi-partisan bills, H.R. 1005 and S. 324; And to enact this legislation expeditiously to facilitate Home and Community Based Services for our returning veterans in lieu of more-costly nursing home care.

05.02.17



HOME AND COMMUNITY BASED SERVICES CMS SETTINGS RULE

On January 16, 2014 the Centers for Medicare and Medicaid Services (CMS) issued a final rule [42 CFR §441.301(c)(4)(5)], which became effective on March 17, 2014 and which specified new standards regarding what constitutes a home and community based (HCBS) setting, for purposes of receiving services under a Medicaid HCBS waiver program.

CMS did not differentiate between applying the rule for settings serving primarily younger individuals with disabilities and the distinctly different needs of older individuals with complex chronic medical conditions or individuals with Alzheimer's disease and related dementias.

In February of this year, HHS Secretary Dr. Thomas Price and CMS Administrator Seema Verma wrote to the fifty Governors stating:

“In recognition of the significance of the reform efforts underway, CMS will work toward providing additional time for states to comply with the January 16, 2014, Home and Community-Based Services (HCBS) rule. Additionally, we will be examining ways in which we can improve our engagement with states on the implementation of the HCBS rule, including greater state involvement in the process of assessing compliance of specific settings”.

To date, CMS has not issued new guidance or commentary of how it intends to implement the directive of Secretary Price and Administrator Verma.

Because the final rule impacts nearly every Medicaid beneficiary within the fifty states who requires residential or non-residential day services, if CMS imposes exceedingly strict standards, they will **limit** choices for seniors, drive up the cost of care, and pull scarce resources away from caring for the elderly.

NADSA respectfully urges all Senators and Members of Congress to request CMS to state how it intends to comply with Secretary Price's commitment to the states and to ensure that CMS does not exceed its authority in the implementation process of disbursing Medicaid funds by requiring more burdensome and costly state mandates. Further, we request Congress to urge CMS to develop alternative implementation guidance specific to the senior population that appreciates the unique needs of that population in providing quality HCBS.

05.02.17



Public Policy Agenda 2017

Facilitate Access to Adult Day Services

People living with chronic conditions and diseases such as hypertension, physical disability, cardiovascular disease, diabetes, mental illness, Alzheimer's, dementia, developmental disability, or traumatic brain injury need better access to adult day centers to receive the care they need to be able to continue to live in their own homes and avoid the high costs of institutionalization.

More than a quarter million consumers (273,200) were enrolled in an estimated 4,800 adult day centers operating in the United States on any given day according to a 2013 National Study of Long Term Care Providers published by the National Center for Health Statistics.[1] A follow-up 2014 study revealed that Adult Day Services center participants are more diverse than users of other major long-term care services with respect to race, ethnicity and age. Additionally, 32% had a diagnosis of Alzheimer's disease or other dementia.[2]

The same 2014 study noted although a majority of participants were elderly, 37% of adult day services consumers were under age 65. In short, Adult Day Services increasingly are serving younger persons with intellectual and developmental disabilities and a growing number of veterans with traumatic brain injuries.[3]

NADSA member volunteers from every state are working with our public officials to ensure that access to Adult Day Services is included in all long-term care services and supports (LTSS) policy discussions and decisions.

[1] Harris-Kojetin L, Sengupta M, Park-Lee E, Valverde R. *Long-term care services in the United States: 2013 overview*. Hyattsville, MD: National Center for Health Statistics. [2] Centers for Disease Control and Prevention, NCHS Data Brief Number 164, September 2014 [3] *ibid*.

Protect Medicaid Funding for Adult Day Services

Medicare and Medicaid increasingly have been under attack by the President and Congress. Now, however, as never in the history of these programs, the repeal or replacement of the Affordable Care Act (ACA) threatens the Medicare trust fund and Medicaid services for the elderly and disabled, leaving some of our nation's most vulnerable populations at risk. NADSA encourages Congress to not only protect Medicare and Medicaid at its current levels but to consider increasing support to provide more citizens with access to Adult Day Services. **Remember: Medicaid is the payor of last resort and pays nearly 4 times more per-person for nursing home care than for ADS in lieu of nursing home care.** [<https://www.genworth.com/about-us/industry-expertise/cost-of-care.html>]



Modernize Veteran Access to Adult Day Services

Many of our returning military veterans who need Adult Day Services to remain at home with their families find that because of outdated, overly burdensome administrative requirements, state Veterans Homes are unable to contract with Adult Day Health Care. As a result, wounded warriors and their families are often faced with either long distance trips for Adult Day Health Care or institutionalization. In 2016 the House approved legislation directing the VA to initiate agreements with state veteran homes specifically to provide ADHC services to eligible veterans. The intent of the sponsors is to allow the veteran homes to provide space on their property for ADHC services or to utilize existing nearby ADHCs. This legislation has been reintroduced this session by Rep. Lee Zeldin (R-NY) and Senator Orrin Hatch (R-UT). ***Urge co-sponsorship and passage of [H.R.1005](#) or [S.324](#). Both are bi-partisan bills.***

Modernize Access for Seniors to Adult Day Services

In the words of Senator Chuck Grassley (R-IA), “Today, the federal government does not pay for long-term services and supports unless an individual is poor enough to be on Medicaid. What frequently happens is that seniors on Medicare [who are not poor enough to qualify for Medicaid] go into a nursing home, spend down their assets and then go on Medicaid for their long-term care. These seniors don’t want to be in an institution and they don’t want to be on Medicaid. But that is what the system forces upon them...One estimate shows four-year savings of nearly \$60 million for a demonstration of 5,000 Medicare members by postponing or preventing hospitalization and institutionalization [with an option to utilize adult day services or other home and community based services].” ***Urge co-sponsorship and passage of [S.309](#) introduced by Senators Chuck Grassley (R-IA) and Ben Cardin (D-MD).***

Modernize Medicare to Achieve Cost Avoidance

During the past half-century, Medicare services have been expanded but the system itself has not been modernized to accommodate less expensive delivery of services to consumers with chronic diseases. Adult Day Health Centers (ADHC) provide quality, cost-effective nursing services, physical therapy, occupational therapy, and social work services. NADSA encourages Congress and CMS to infuse health care funding with consumer choice for more cost-effective home and community-based services through an ADHC. Offering rehabilitation through an ADHC to individuals discharged from acute care institutions rather than re-institutionalizing them in a nursing home is more cost effective and more therapeutic. Legislation has been introduced in multiple sessions to provide ADHC services as an option to institutional care. NADSA is actively seeking a method by which to move it forward before it is reintroduced again. **The President’s call, using our words, to Modernize Medicare provides Congress with that opportunity.**

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MODERNIZE MEDICARE WITH ADULT DAY SERVICES FOR COST AVOIDANCE

Policymakers agree that, as the number of beneficiaries increases, Medicare must be adjusted to contain costs into the future. Because policymakers cannot diminish the increasing numbers of aging individuals, patches, such as changing the age of entitlement, only postpone the cost impact. President Donald Trump has called for “modernizing Medicare”.

Modernizing Medicare options is one proposal that can result in immediate per-beneficiary service cost reduction and future cost avoidance for both the Medicare and Medicaid systems.

Post-Acute Care and nursing home care are expensive cost driving services. Private sector reports from the insurance industry have stated consistently that Adult Day Services (ADS) are more cost effective than institutional admission for consumers in need of this level of clinical care.*

Modernizing Medicare to permit beneficiaries qualified for nursing home care to choose Adult Day Services in lieu of nursing home admission will reduce the immediate per-beneficiary cost of service for nursing home clinically eligible individuals and will achieve program future cost avoidance for both Medicare and Medicaid. Today, when an individual enters a nursing home the Medicare spend-down provision diminishes the individual’s assets 4 times faster than a similar spend-down provision would do for ADS. Hence, a Medicare beneficiary who enters a nursing home will become Medicaid dependent 4 times more quickly than they would as an ADS beneficiary.*

NADSA respectfully requests Members of Congress to co-sponsor and support legislation that would provide the consumer with a choice of the medical model of adult day health care in lieu of entry into a nursing home. Please contact NADSA for a draft of legislation to introduce.

*Genworth 2016 Cost of Care Survey: <https://www.genworth.com/about-us/industry-expertise/cost-of-care.html>

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MODERNIZE ACCESS FOR SENIORS TO ADULT DAY SERVICES

Senator Chuck Grassley (R-IA) and Senator Ben Cardin (D-MD) noted in 2015 that applying Medicare to home and community based services (HCBS) for long-term care is better for the beneficiary, who often prefers to remain at home rather than to be admitted to an institution, and better for the Medicare-Medicaid system because the cost of service is far less.

Because Medicare presently does not pay for long-term supports and services (LTSS), such as Adult Day Health Centers, seniors with moderate or low income default to their entitlement to enter a nursing home, where they spend down their assets more quickly and become Medicaid dependent.

Entitled *The Community-Based Independence for Seniors Act*, S. 309 establishes a Community-Based Institutional Special Needs Plan (CBI-SNP) demonstration, building upon existing Medicare Advantage plans, to generate hard evidence that providing entry to necessary LTSS thru Medicare can produce savings for both the states and the federal government. The demonstration would target HCBS for up to 1000 low-income Medicare-only beneficiaries, who are clinically nursing home eligible, in up to five states over a period of four years. The goal is to provide a bridge for individuals to obtain the LTSS they need without having to prematurely spend down their assets to qualify for Medicaid. One estimate by Senator Grassley's office indicates an estimated savings of nearly \$60 million to the combined Medicare-Medicaid programs from the four-year demonstration.

S. 309 is a reintroduction of S. 704 from the past Congressional Session. That bill was approved by committee and the Congressional Budget Office has provided a \$4 million cost estimate over ten years (the bill appropriates \$3.5 million for the 4-year demonstration).

NADSA respectfully urges all Senators to support S. 309 as a bi-partisan method by which to provide quality HCBS LTSS to vulnerable seniors while simultaneously offering a path to state and federal cost avoidance.

05.02.17