

MEDICAL ADULT DAY CARE DEMONSTRATION

The cms demonstration mandated by Congress under section 703 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 was conducted by five home healthcare agencies from August 2006 through July 2009. The goal was to examine the effects of allowing a portion of Medicare home health services to be delivered in a medical adult day care rather than in the beneficiary's home. Home health services included skilled nursing, physical therapy, occupational therapy, speech therapy, social work and home health aides. Medicare paid the 60- day episode at 95% and required the home healthcare agency to reimburse the medical adult care center the reasonable daily rate. Three of the five selected home healthcare agencies completed the three- year project. This included Texas, Pennsylvania and Florida.

The intention of the demonstration was to increase home healthcare census by providing an additional referral source (ADC) as well as the ability to treat multiple patients at one location. It was anticipated that the participating home healthcare agencies would receive the benefit of economies of scale. The benefit to the ADC was an alternative payor/referral source for consumers/patients. Targeted diagnosis included CHF, Diabetes, and COPD, Cardiac arrhythmias, renal and vascular disease. (p 45) There were 1014 patients actually enrolled in the demonstration as opposed to the original target of 15,000. According to the final evaluation, the failure to recruit individuals was due to the lack of recognition of ADC as an alternative to skilled nursing placement, difficulty in arranging transportation and the completion of a lengthy medical evaluation.

Although the final report does not demonstrate a positive impact on home healthcare agencies, it does prove to be an effective mechanism to the reduction of overall healthcare costs. (P xiv) Review of medical claims indicate decreased expenditures for inpatient, outpatient, skilled facility and physician. (pp 77-78 Appendix C). This may indicate an alternative to skilled/rehab services for those who are unable to participate in the three-hour requirement of PT/OT. It was also considered an alternative to those individuals with multiple hospitalizations due to medication non-compliance.

Patient satisfaction was extremely high, over the participants 93% were satisfied with the home healthcare they received and 97% were satisfied with the ADC. 93% of the demonstration participants wanted to continue with ADC and 41% were willing to pay for such services. In Pennsylvania, all attendees were referred to Area Agency on Aging for waiver assessment so that they could continue ADC supported by Medicaid (waiver). However, the enrollment process was too lengthy and caused an interruption in ADC services once the home health episode was complete.

In conclusion, it would be a reasonable assumption that ADC could have a positive benefit in reducing the overall healthcare costs for those folks who are at high risk for readmission to both acute care and skilled care. These include folks with CHF, COPD Diabetes etc. We also know that the landscape of home and community based services is changing to not only include MLTSS but also collaboration with healthcare providers. (Would it not make sense to share costs, decreasing overall costs?) We also know that the transportation issue would be solved as part of the supplemental benefits.