



CAADS 2024 Legislative Priorities

Background

The California Association for Adult Day Services (CAADS) represents nearly 300 Community Based Adult Services (CBAS) providers that serve more than 35,000 low-income elders living with chronic conditions and disabilities in our state. The Master Plan for Aging considers **CBAS to be an essential component of the state's system of long-term services and supports (LTSS)**. CBAS provides life-affirming and life-saving services to one of California's most vulnerable populations: "dual eligible" adults who are considered the highest-risk population and qualify for nursing home placement.¹

CBAS centers strive to ensure that services are provided to multicultural and ethnically diverse populations in a way that respects their dignity and is tailored to their strengths. CBAS works to enable people to live in the environment of their choice while tackling social factors that may lead to increased healthcare costs. Despite this, centers are having difficulty staying afloat due to the lack of a Medi-Cal reimbursement rate increase in the last 15 years.

Request

CAADS is formally requesting Senator/Assemblymember champion the following CBAS budget/legislative priorities for 2024:

1. A. Increase the base Medi-Cal published CBAS rate from the current \$76.27 to \$122.42.

This reflects the rate of inflation² between July 2009, when ADHC rates were frozen, to the calendar year 2023.

- B. Adjust the base rate annually to account for cost of living increases.

Estimated Cost: We do not have access to the information required to calculate the estimated GF cost.³

¹ [A Primer on Dual-Eligible Californians - California Health Care Foundation \(chcf.org\)](https://chcf.org/research/dual-eligible-californians/)

² Calculated using the [U.S. Bureau of Labor Statistics Consumer Price Index](https://www.bls.gov/charts/consumer-price-index/) subset for California Adult Day Care and Nursing Facilities.

³ State General Fund. The federal government pays for 50% of the cost of CBAS.

2. Establish the Medi-Cal published CBAS rate as the rate floor in Managed Care Plan contracts with CBAS providers.

Effective July 1, 2019, the state restored funding for Medi-Cal provider rates that had been cut in 2009, including CBAS rates. However, three managed care plans (Molina, Blue Shield Promise, and Health Net) have not fully restored CBAS rates.

- Health Net is sending checks to reimburse centers for the missing 10% months after claims have been submitted. They have not restored the rate at the front end.
- Molina and Blue Shield Promise will not fully restore the CBAS rate and instead are retaining the 10% restored funding included in their capitated rate.

Estimated Cost: \$250,000 GF one-time for administrative costs.

3. A. Impose a two-year moratorium on CA Dept. of Public Health (CDPH) licensing fees required from CBAS providers, effective January 1, 2024. Reject any new licensing fees.

B. After 2 years, permanently reduce CBAS licensing fees by 80%.

Estimated Cost: Per CDPH 2023 Fee schedule:

310 facilities X \$10,800 = \$3.348 million GF in Year 1 and \$3.348 million GF in Year 2.

Then \$3.348 million x 80% = \$2.678 million GF in Year 3 and ongoing.

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