



caads
CA Association for Adult Day Services
COMMUNITY | CONNECTION | CHOICE

April 10, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
U.S. Capitol Building, H-222
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
U.S. Capitol Building, S-230
Washington, DC 20510

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
U.S. Capitol Building, H-204
Washington, DC 20515

The Honorable Charles E. Schumer
Democratic Leader
U.S. Senate
U.S. Capitol Building, S-221
Washington, DC 20510

Re: Asks for Relief for Adult Day Services Providers for COVID-19 Package 4

Dear Speaker Pelosi, Leader McConnell, Leader McCarthy, and Leader Schumer:

Together with our partners, the National Adult Day Services Association (NADSA) and LeadingAge, the California Association for Adult Day Services (CAADS) requests that Congress consider appropriating and/or directing funds (\$422.5 million) to support Adult Day Services (ADS) providers in any future legislation addressing the COVID-19 pandemic. Federal funding is necessary at this time to ensure that the more than 260,000 Americans who rely on ADS are able to continue receiving these services once the COVID-19 pandemic ends.

CAADS is a not-for-profit association in California that has been supporting, advancing and leading ADS in our state since 1977. Our members work on person-centered solutions to ensure individuals, families and communities are served with compassion and integrity. Community-Based Adult Services (CBAS) centers are daytime health facilities currently serving 36,000 of the California's most complex and vulnerable Medi-Cal recipients. Currently in our state, there are 257 licensed and certified CBAS centers in 32 counties, contracted with Medi-Cal Managed Care Organizations.

The Role of Adult Day Services

ADS providers are an integral part of the home and community-based services system and serve more than 260,000 older Americans and Americans with disabilities in the United States. A large portion of people receiving ADS experience dementia (31%) and/or live with chronic conditions such as diabetes (31%) and heart disease (27%). And, about 4 in 10 people who receive ADS are over the age of 75

(42%).¹ ADS have also been an important source of support for veterans, including about 6,500 veterans receiving ADS funded by the Department of Veterans Affairs. People who attend adult day centers often need a range of services and supports, including meals, social activity, medical/nursing care and therapies. ADS providers are critical toward meeting these needs.

Additionally, ADS offers respite to family members. People who attend ADS typically do so during normal business hours, allowing their family caregivers to continue to work and engage in the community – all while keeping people receiving ADS in their homes and communities. The vast majority of people receiving ADS live in their own home or with family (77%). Because they are typically less expensive than residential care and in-home services, ADS are also a particularly valuable option for long-term term services and supports (LTSS) for middle- and lower-income families.

ADS providers not only provide older Americans and Americans with disabilities with key services while keeping them in their homes, but also do so in a cost effective manner. In a 2019 estimate from Genworth,² the national median cost of ADS is \$1,625 per month³, compared to more than \$4,000 for assisted living and more than \$7,500 for nursing home care. ADS represent a smart investment for aging services, and the loss of these providers could raise costs for consumers, states and the federal government.

Without a robust network of ADS providers, many people who currently receive ADS could be forced into more costly settings, such as nursing homes. A loss of ADS providers could also force family caregivers out of the workforce to provide full-time care.

COVID-19 Poses a Threat to Adult Day Services

In California, CAADS has been working with our state partners on developing policy guidance for the temporary provision of allowing our providers to continue delivering CBAS services telephonically, in participants' homes, in lieu of the congregate services that were offered at our CBAS centers prior to COVID 19. We have also been working with our managed care plans and state partners on funding mechanisms for centers so that they may continue to provide services to CBAS participants now remaining at home.

However, despite the progress we have been making, the pandemic has caused severe financial difficulty for our ADS providers across the state. While other aging services providers, including nursing homes and health agencies, are remaining open and delivering care during this period, many ADS providers in California, and across the country, are facing closure. Additionally, to limit the spread of the virus, a growing number of states and localities are requiring ADS providers to close and several across the country are doing so voluntarily. For those that remain open, significantly fewer people are showing up to receive services. As a result, we are seeing a collapse in revenue for ADS, including from public coverage (e.g., Medicaid) and from out-of-pocket payment for services.

Because ADS providers are losing revenue, they like other small businesses and entities across the country are in financial jeopardy on a long-term basis. More than half of ADS providers are free-standing

¹ Centers for Disease Control, National Study of Long-Term Care Providers, https://www.cdc.gov/nchs/data/nsltcp/2016_NSLTCP_ADSC_Weighted_Estimates.pdf

² Genworth, Cost of Care Survey, 2019 <https://www.genworth.com/aging-and-you/finances/cost-of-care.html>

³ The median daily cost of adult day services is \$75. The monthly figure represents 21-22 days of services per month.

organizations and not chain-affiliated (57%).⁴ If an ADS provider closes during the pandemic, there is no guarantee they will have the staff and/or financial resources to re-open afterwards. This could have long-term, negative implications for access to ADS nationwide and could jeopardize the LTSS so many Americans and their families rely upon.

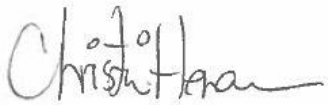
The Future of Adult Day Services Requires Federal Action

We respectfully urge Congress to ensure that any future legislation addressing COVID-19 provides guaranteed federal funds for ADS providers. Such funding is necessary to ensure that the ADS network is able to sustain throughout the COVID-19 pandemic and will be there to continue serving older Americans and Americans with disabilities after it ends.

Specifically, we request that \$422.5 million be made available to ADS providers to cover one month of revenue loss.⁵ Such funding could be newly appropriated, or Congress could direct federal agencies to set funds aside for adult day services from funds appropriated in the CARES Act. While a handful of states are taking steps to provide partial payments to ADS providers during the COVID-19 pandemic, most are not. Federal action is needed to support these organizations.

Thank you for considering this letter and supporting ADS providers and the people they serve. Please do not hesitate to reach out to me at (christin@caads.org), or have your staff reach out to Brendan Flinn (bflinn@leadingage.org) of LeadingAge or Roy Afflerbach (senioradvocacy@theafflerbachgroup.com) of NADSA.

Sincerely,



Christin Hemann, MAG
Executive Director
California Association for Adult Day Services

⁴ Centers for Disease Control, National Study of Long-Term Care Providers, https://www.cdc.gov/nchs/data/nsltcp/2016_NSLTCP_ADSC_Weighted_Estimates.pdf

⁵ \$422.5 million represents one month of services (\$1,625) based on the Genworth data for 260,000 ADS participants.