

## **Health Agenda**

### **Pages 27**

#### **Issues 902, 917, 929**

#### **Adult Day Health Care Benefits**

#### Proposed Compromise

Summary. This proposed compromise continues the ADHC Program and provides for future policy changes to enable the highest medical acuity individuals, including individuals with mental health needs, and cognitive impairments, to receive services. A net reduction of about \$26.8 million (GF) is achieved from these actions

In lieu of eliminating the Adult Day Health Care optional benefit, it is recommended to take the following actions:

1. Adopt trailer bill language to: (1) limit the maximum participation rate for enrollees to 3 days as of August 1, 2009 and until a higher threshold for medical necessity/medical acuity is established by the Department of Health Care Services; (2) establish definitions of medical acuity; and (3) engage a stakeholder workgroup process to proceed with implementation aspects of the definition for a phase in period. Savings attributable for this action are \$36.6 million (\$18.3 million GF) for 2009-2010.
2. Freeze rates for ADHCs as of August 1, 2009 for a savings of \$3.7 million GF in 2009-2010 and \$6.4 million (GF) annualized.
3. Provide 7 nurse evaluator positions to the DHCS for a cost of \$736,568 (\$184,000 GF) to conduct on-site treatment authorization reviews of ADHCs.
4. Reduce by \$10 million (\$5 million GF) from increased review of ADHC treatment authorization reviews due to the additional DHCS staffing component.