



**Testimony of the Connecticut Association of Adult Day Centers
to the Appropriations Committee**

Regarding the Governor's Proposed Budget Mitigation Plan

Testimony Presented by

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March 11, 2010

Good afternoon Senator Harp, Representative Geragosian and Members of the Appropriations Committee. My name is Michael Hebert and I am the Director of The Jewish Home for the Elderly's Grasmere by the Sea Adult Day Services in Fairfield and (Past) Chairperson of the Connecticut Association of Adult Day Centers, an organization of 46 adult day centers from across the state of Connecticut. I am writing today to speak in strong support for Adult Day Centers. Despite a much appreciated 4.2% increase in our rate as a result of the last legislative session, many centers are still struggling financially and the future of this industry in the state of Connecticut remains in jeopardy. We ask you to prevent the repeal of this recent rate increase and oppose the additional 5% rate cut that the Governor is requesting in her proposed mitigation plan. If passed our daily rate will be reduced to \$60.13 which is below what our rate was in 2006; insufficient to meet our costs even then. We cannot ignore the fact that these cuts are proposed on the heels of the 15% co-pay now required of our state funded CT Home Care Program for the Elderly clients which has impacted our attendance. Centers will not survive. Some will choose to close rather than to cut corners on service or operate dangerously with a skeleton staff to make it affordable to provide services. In 2009 alone, three exceptional centers closed their doors in Simsbury, Tolland and Shelton placing greater demands on existing centers to serve these participants and their caregivers. We estimate that the loss of the Adult Day Centers in the state will result in at least 1,460 clients without service and over 300 jobs lost. The impact on family caregivers and employment status is inestimable. Faced with the closing of centers, families who need to work will either have to place older family members in a long term care setting, reduce work hours, or leave their jobs to care for family at home if they find they cannot take that step. With limited resources and declining affordable options for home care, this will not be feasible for many families.

Adult Day Health Centers offer a solution for families to keep older adults in their own homes where they would **prefer** to live, while saving the state millions of dollars by offering services in the community. Adult day services keep older adults happier and healthier and prevent nursing home placement for many years. In many cases institutional care is avoided entirely.

The Connecticut Long-Term Care Advisory Council's recommendations towards balancing the long-term care system in Connecticut **looks to community services to meet the needs of older adults and their families**. Adult Day health Centers want to remain a part of this service system but with any cut to our rate;

Adult Day Centers will be forced to close the doors. Over the past 8 years, 18 Centers have closed their doors in large part due to the low state reimbursement rate.

The average cost to care for a client in an adult day center is \$84 per day. The state currently reimburses \$66.22 per day for a medical model Adult Day Center under the Connecticut Home Care Program for Elders, a loss of \$17.78 per day. If the cuts proposed in the Governor's mitigation plan for reduction of our rate by 4.2% with a further reduction of 5% from the proposed Medicaid Provider Rate cut are passed, our loss will be \$23.87 per day per client, nearly 30% of the cost of caring for one participant for one day. The state continues to require that we provide transportation with the cost **included in our daily rate.** We calculate transportation to cost our agency **\$22.00** per day per client. Additionally, centers do not receive reimbursement for participant absenteeism due to inclement weather or unscheduled cancellation of planned service. There are parts of our state that are now without an Adult Day Center near enough to allow older adults to choose this option for their care. For those who are fortunate to have a center in their area and choose this option, the benefits are immeasurable.

We ask your support to prevent any reduction in the present rate, to ensure that this community based option remains a viable choice for the elderly in our state. We understand the challenge the Connecticut legislature faces in 2010, to fairly fund so many vital services and programs, but we firmly believe adult day centers save Connecticut significant long-term care dollars providing a vital link within the continuum of care and meeting the growing needs of Connecticut's elderly and their caregivers.

I would be happy to answer any questions. I can be contacted at (203) 365-6469 or at mhebert@jhe.org

Thank you.

Respectfully submitted,

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Increased State Funding Is Needed For Adult Day Services

Adult day centers provide a cost effective community-based long term care alternative for older adults wishing to remain in their homes but who need varying assistance during the day. With adult day services, clients are able to remain in their homes rather than moving to assisted living or a nursing home. At the same time, their quality of life is enhanced with a strong social component and a continued sense of independence. Unfortunately, while adult day centers provide a cost effective option to families, the current level of state reimbursement is making it increasingly difficult to remain a viable option.

Adult Day Centers Provide a Rich Array of Services

- Adult day centers provide help with activities of daily living, including toileting, bathing, walking, transferring, and eating.
- Medical model day centers have on-site licensed nursing staff, access to rehabilitation services, and bathing facilities in addition to the nutritional, social, recreational and other services provided by social model programs.
- Door to door transportation is provided to and from the center and these costs are bundled into the package of services provided to clients of the Connecticut Home Care Program for Elders.
- The nursing, nutrition, rehabilitation and social services provided in adult day centers help frail elders remain at home – including many who would otherwise require nursing home placement.

Adult Day Health Care is a Cost-effective Alternative to Nursing Home Care

- A day of adult day center services currently costs the state 66.22 (medical model) and 57.93 (social model) making them a cost effective option compared to nursing home placement where the daily rate is closer to \$218.
- By keeping clients in their homes, the net savings to the State attributable to the Connecticut Home Care Program for Elders add up to many millions each year.

State Payment Does Not Cover the Cost of Adult Day Health Services

- Adult day centers face financial losses with each Home Care Program client they serve.
- There are currently 46 certified adult day centers in operation, but 18 have closed in the last eight years due in large part to the low state reimbursement rate.
- The average cost to care for a client in an adult day center is approximately \$ 84.00 per day. The state currently reimburses a medical model center \$66.22 a loss of \$17.78 per day.
- The costs of providing day services continues to rise as some clients require the assistance of two staff members for toileting and bathing; many suffer from confusion and require constant supervision.

Costs are rising due to several factors:

- **Staffing** - Adult day centers are not immune from the nursing shortage, and they typically cannot compete with the benefits and incentives larger facilities offer.
- **Transportation** - The associated costs such as insurance and fuel are significant and have risen dramatically in recent years. The requirement remains that transportation be included within the daily rate.
- **Absenteeism** - The state will not pay for scheduled clients who do not attend for the day. The center incurs the cost in anticipation of the client's attendance, but they receive no reimbursement.

Please Support State Funding for Adult Day Services that more closely represents our actual costs.