

November 9, 2011

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Senator Mark Leno  
Chair, Senate Budget & Fiscal Review Committee  
455 Golden Gate Avenue, Suite 14800  
San Francisco, CA 94102

Dear Senator Leno:

Family Caregiver Alliance (FCA) is writing to express our concerns about the planned dismantling of the Adult Day Health Care (ADHC) system.

As you noted at a recent Senate budget hearing, ADHC was going to be converted to a reduced program: Keeping Adults Free From Institutions (KAFI). However, because of Governor Brown's veto of AB 96, ADHC is scheduled to be eliminated as a Medi-Cal optional benefit on December 1<sup>st</sup> of this year.

Social workers at FCA meet with over 1,000 family caregivers in the Bay Area every year to assess their situations, help them navigate their long-term care options, and connect them with supportive programs, including ADHC. FCA is part of a larger network throughout California of 11 Caregiver Resource Centers that support family caregivers.

Californians caring for a loved one are forced to put their lives on hold and this often means either quitting or reducing their employment. In fact, a recent study found that the average baby boomer aged 50 years old who quits work to serve as a caregiver will forgo, on average, \$303,880 in wages, Social Security, and pension benefits.

Supportive services like Adult Day Health Care alleviate some of this burden for family caregivers while ensuring that their loved ones receive appropriate, safe, coordinated, and tailored medical and social care all in the same location and from highly skilled professionals.

The "plan" that has been presented thus far for the transition of 37,000 people who rely on these services has been unclear, and as you noted, the stakes are very high for this population who are some of the most fragile and vulnerable Californians.

While the state's budget situation has been cited as the reason for elimination of ADHC, it remains unclear how and if the elimination will actually save money, especially as current enrollees are forced into less desirable, more expensive options like nursing homes. We strongly support additional research by the Department of Finance that addresses all of the costs of eliminating ADHC.

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## Our concerns include:

**1) Transition Plans Remain Unclear:** In a letter dated August 19<sup>th</sup>, 2011, the managed care plans that will become responsible for this population expressed concern with over 25 issues with the transition, and suggested that the state should “temper beneficiaries’ expectations...”

It is highly concerning that the organizations responsible for this transition have so many issues so close to the transition date and this confusion will likely filter down to the individuals who currently rely on ADHC.

**2) Economic Impact:** There are numerous negative economic impacts:

- **Cost of Institutional Care vs. ADHC:** Many of the current enrollees have multiple chronic conditions. When ADHC is eliminated, some will likely be forced into nursing homes- which are less desirable and three times more expensive.
- **Staff at ADHC Centers:** With unemployment already over 9%, it is worrisome that the state would elect to eliminate a program that currently employs 7,000 people.
- **Employment of Family Caregivers:** Numerous family caregivers at hearings and in media stories have explained how ADHC allows them to remain employed. When ADHC is eliminated, many of these caregivers will be forced to make difficult decisions about quitting work or leaving loved ones at home and hoping that nothing bad happens while they are left alone; a scary proposition for caregivers of people with Alzheimer’s and other dementias. If they quit work altogether, this will place additional financial strain on their households.

**3) Fragmented System of Supports:** The elimination of ADHC is highly reliant on programs that are ill-equipped to handle this population, already have waiting lists and have also been frequently targeted for elimination and budget reductions. For example:

- **Multipurpose Senior Services Program (MSSP):** As a witness noted at the hearing last week, MSSP was targeted for elimination in January this year, and his program already has a six-month waiting list. Ironically, one of the functions of MSSP is case management and referring seniors to supportive services like ADHC.

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- In Home Supportive Services (IHSS): This program has been the frequent target for cuts, including a planned 20% across-the-board reduction in hours if rosy budget projections are not met by December 2011. In addition, IHSS does not offer the medical expertise currently offered by ADHC.

In sum, the plan to eliminate ADHC is ill-conceived, poorly-planned, and will have numerous negative implications for current enrollees and their family caregivers. We urge you and the California legislature to reconsider this elimination. The loss of over 300 centers is not something that can be easily reversed and will have grave impacts for years to come on California's system of long-term services and supports. Thank you for your consideration.



Kathleen A. Kelly  
Executive Director