Adult Day Health Care Council

2025-26 NYS Budget Health/Medicaid Testimony

Provided by:

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Medical Model Adult Day Health Care Programs
Need Support and Attention from the State

The Adult Day Health Care Council (ADHCC) thanks you for the opportunity to provide testimony to your committee. ADHCC currently represents 60 medical model adult day health care (ADHC) programs open and operating across New York State. Prior to the pandemic, there were over 120 ADHC programs licensed and operating in the state. At this time, 60 remain closed since their State-ordered closure in March 2020 due to COVID-19. ADHCC speaks exclusively for ADHC providers; we are dedicated to the reopening and rebuilding of ADHC, a critical Home and Community-Based Services (HCBS) option, in an effort to meet the needs of the frail elderly, chronically ill, disabled adults, and their caregivers.

What Is ADHC?

ADHC is a community-based long term care service that offers comprehensive care in a congregate day setting. ADHC programs provide skilled nursing care, personal care, social work, therapy, recreation, meals, and socialization to functionally impaired individuals to maintain their health status and enable them to remain living at home and in the community.

ADHC programs have operated since 1969, as a deterrent and alternative to institutional care, and serve registrants who are at a nursing home level of care. Only nursing homes can own or operate ADHC programs in New York State, and programs are subject to certificate of need (CON) and regulated by the New York State Department of Health. ADHC programs are different from social adult day care (SADC) programs in that they are subject to significantly more oversight than SADC programs and offer a broad array of skilled services and care with an interdisciplinary team approach.

ADHC is a valuable option on the HCBS continuum of care providing skilled care and socialization for individuals, and support and respite for their caregivers and families.

The Majority of ADHC Programs Are Still Closed

ADHC programs were one of the only provider settings ordered to close during COVID-19. For over a year, individuals went without their ADHC services, resulting in a spike in preventable hospitalizations, nursing home admissions, and deterioration of member health and hygiene. ADHC programs were essentially dismantled during this time – staff either moved on to other employment or moved over to the nursing home, upending a longstanding resource in communities for both registrants and their families.

Programs were authorized to reopen in late March 2021 and faced rebuilding after complete depletion of ADHC staff and revenue loss for programs. To date, only 60 ADHC programs have reopened. Many programs are trying to reopen and are struggling to do so. Currently, there are over 19 counties in the state that used to have one or more actively licensed ADHC programs. Most regions now lack ADHC programs in their communities altogether. See the attachment for a fuller picture of closures.

In 2024, American Rescue Plan Act (ARPA) funding was distributed by the State to ADHC programs. This funding was originally slated as “reopening” funding; however, it was not made available to incentivize the reopening of

closed programs or those in the reopening process. Further, the ARPA spending conditions are so proscriptive the funding does not help programs truly rebuild. ADHCC respectfully requests that the State dedicate the necessary resources to commit to a full return to operational status for ADHC programs, including a substantial increase in Medicaid.

Request: Increase Medicaid Rates for ADHC Programs and ADHC Transportation

ADHC Program Rates:

ADHCC urges the State to provide a substantial increase in Medicaid reimbursement for ADHC programs to reflect current costs of care, including adequate compensation of staff. ADHCC seeks a Medicaid rate increase for ADHC programs set at 65 percent of the program's sponsoring nursing home rate. Over 90 percent of ADHC registrants are Medicaid beneficiaries. Programs require a Medicaid rate which reflects current rates of inflation and the medical Consumer Price Index (CPI) to address increased staffing costs, utilities, food, medical equipment, building services, supplies, and personal protective equipment (PPE). Without a substantial permanent rate increase, we will likely not see ADHC programs reopen in their communities, and individuals, their caregivers, and families will no longer have access to this valuable HCBS provider setting.

ADHC programs have seen limited rate increases in recent years but are essentially operating under 2009 Medicaid rates. They were subject to a rate cut by the State during COVID-19, when most other states were increasing Medicaid reimbursement for long term care providers. In 2020 and 2024, programs were also subject to a 5 percent and then another 10 percent capital cut to their rates. While limited increases were provided in 2023 and 2024, the gap in covering current costs is still significant. We urge a substantial rate increase and restoration of capital rate cuts made to nursing homes and their ADHC programs.

ADHC Transportation Rates:

Another significant challenge for reopened ADHC programs is the lack of affordable ADHC transportation for registrants going to and from program to home. ADHC Method 1 programs either directly contract with transportation vendors and/or own their own vehicles. Like operating rates, Method 1 transportation rates, established in 2010, are woefully insufficient. Transportation vendors cannot afford to serve our registrants at these rates. Programs struggle to find transportation vendors that will accept these rates and often must subsidize vendors with their own program rates to get their registrants to program. Current ADHC transportation rates fail to cover the increased costs of gas, insurance, driver wages, and the purchase and maintenance of vehicles.

Low Method 1 rates also cause access issues for ADHC registrants. Registrants who require longer trips in rural areas and trips that are not conducive to multiloading of riders are especially hard to fill, as they cost far more than the rate provides.

We ask the State to provide an increase in Method 1 transportation rates. This is not a costly request. At this time, most ADHC programs are Method 2 programs, which utilize the Statewide Transportation Broker MAS for transportation services – an option that is considerably more expensive than Method 1. However, many ADHC programs prefer Method 1 transportation, which allows them to directly manage transport of this highly vulnerable population by utilizing their own fleets or hiring vendors that provide familiar drivers, door-to-door assistance, and adherence to best practices.

This dynamic continues to cause significant barriers to ADHC programs across the state. It is unconscionable for programs to be in the position of denying admission to registrants because of a lack of Medicaid transportation.

Conclusion

We urge the State to provide a significant increase in Medicaid rates for ADHC programs and ADHC transportation to ensure the future viability of ADHC. A substantial rate increase is critical to programs reopening and rebuilding post COVID-19 and returning to their former vibrancy.

Both the State and federal government recognize the growing preferences of individuals to age in place and the need for government policy to follow suit. The State acknowledges this goal in its own Master Plan for Aging, calling for policy "to ensure older New Yorkers can live fulfilling lives, in good health, with freedom, dignity and independence to age in place for as long as possible."

ADHC programs are a highly cost-effective provider on the HCBS continuum that offer a full complement of skilled services in a day setting so that registrants may live at home and in their communities. They postpone and reduce admissions to more costly institutional settings, reduce emergency room visits and hospital readmissions, and address health concerns promptly to prevent deterioration and more serious conditions for their registrants. With the significant home care aide and nursing shortages and a rapidly expanding population of older New Yorkers, we need to ensure that all HCBS options, including ADHC, remain available in our communities.

For more information, please contact:
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Attachment

ADHC Program Closures in New York State

Approximately 60 of the 116 actively licensed ADHC programs in the state have reopened post COVID-19. ADHC programs are now nonexistent or limited in most counties and regions of the state. Many closed programs will likely not reopen without a substantial increase in the ADHC Medicaid rate.

Downstate counties (not New York City or Long Island) – 7 reopened, 6 temporarily closed
Hudson Valley – 2 reopened programs, 3 closed
Capital Region – 2 reopened programs, 3 closed
North Country – 3 reopened programs, 2 closed
Mohawk Region – 7 reopened programs, 3 closed
Central New York – 5 reopened programs, 5 closed
Rochester Area – 4 reopened programs, 10 closed
Southern Tier – 3 reopened programs, 4 closed
Western New York – 2 reopened programs, 2 temporarily closed

19 counties have no reopened ADHC programs, though they have at least one or more programs with active licenses: Cayuga, Chautauqua, Chemung, Columbia, Fulton, Genesee, Jefferson, Lewis, Ontario, Orange, Putnam, Seneca, Steuben, Sullivan, Ulster, Warren, Wayne, Wyoming, and Yates.

New York City and Long Island:
Bronx – 2 open, 4 temporarily closed
Manhattan – 4 open
Queens – 2 reopened, 6 temporarily closed
Brooklyn – 7 reopened, 3 temporarily closed
Nassau – 2 reopened, 2 temporarily closed
Suffolk – 7 reopened, 4 temporarily closed