

ADULT DAY HEALTH CARE: *AN UNBELIEVABLE COST CONTAINMENT RESOURCE THAT IS UNDERFUNDED AND UNDERUTILIZED*

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When I was 30 and a young auditor for the California Department of Health Services, one of the projects assigned to me was the audit of the Adult Day Health Care (ADHC) program. At the time, the ADHC program was new – operational for only a year or two, and in preparing for the engagement I wondered why the state was spending money on day care for older, sicker people? Because the focus of the audit was largely financial and a prelude to the state’s rate setting process, I did not dwell on the human side of the ADHC program or really think about all the services provided and how important they were to the safety and well-being of the daily recipients.



Today, I'm 40 years older and, as fate would have it, I'm once again involved in Adult Day Health Care. This time, however, I'm much more involved in how centers operate, their mission and vision, how they get paid, and in understanding the vital role a center plays each day in ensuring its recipients remain safe while the associated costs are mitigated as much as possible. As the population continues to age, it is critical for the well-being of the recipients involved, their families, the health plans that arrange and pay for ADHC services, and the economy as a whole, that Adult Day programs succeed in carrying out their mission.

For those who think ADHC is just day care...think again! Yes, it's a place for family members to drop-off their aging parents while they head off to work, run errands or simply use the time to get a little (and often much needed) respite from their 24/7 caregiving duties. But, ADHCs are so much more than a place to drop off Mom and Dad for part of a day. Consider for just a moment all the vital services that a typical ADHC provides on a typical day, and for those involved in managing full-risk Medi-Cal or Medicare Advantage contracts, note what unbelievable partners ADHCs can be when it comes to revenue enhancement and cost containment. Following are just a few of the most immediate benefits of partnering with ADHC's:

ADHCs are physically in touch with your members several days a week. Where else within a typical managed care structure would it be possible to directly contact your high risk population this often? Nowhere else other than a nursing home, SNF, or acute care hospital setting.

ADHCs provide food, shelter, safety, socialization, and a wide array of health care services in one central location. These services are essential to sustain life, preserve a person's dignity and sense of well-being and it allows the highest risk patients to continue living in their homes or with help from family and friends, which is by far the least costly and most efficient way to preserve a high quality of living for elderly patients.

ADHCs are more than day care centers, they're actually Wellness Centers, which can attract interested Plan members for all sorts of reasons. They can serve as a vehicle to complete Initial Health Assessments (IHAs), identify and report new Hierarchical Condition Category (HCC) information, feed updated information to case managers or the patient's PCP. They can also assist members in locating a new PCP or reconnecting members to their existing PCPs, provide a host of wellness literature and communicate other information that health plans want to provide to their members on a regular basis.

ADHCs provide dementia care, physical therapy, nutrition counseling, skilled nursing, medication reconciliation, home monitoring, transportation and other vital services that reduce the frequency of ER visits, and hospital admissions and re-admissions.

ADHCs can serve health plans and other risk bearing organizations (RBO's) through the provision of high cost case management services, an area in which many health plans and RBOs are constantly short-handed and in need of help.

ADHCs are ethnically diverse and their staff has the ability to relate to the range of cultures that exist within the populations they serve. Being able to understand and relate to patients is often half the battle in serving their needs and achieving compliance.

It is rare to find a health plan or risk bearing organization these days that is not committed to achieving the Triple Aim – improving the health of populations, improving the individual experience of healthcare and reducing its cost. With so much emphasis on keeping members healthy and out of the emergency room and hospital, I find it truly amazing that ADHCs are constantly struggling for market share, and have difficulty receiving compensation sufficient to cover their costs.

For those health plans and risk-bearing organizations who do understand the valuable services ADHCs provide, think again about the rates you're paying, the absence of acuity adjustment and quality incentive sharing. Where else can you get the high touch services ADHCs provide for less than \$100 per day? A single unnecessary test, referral or procedure will pay for a full day of adult day health care. One ER visit saved will often cover a month of ADHC services, and one hospital admission or readmission saved will offset as much as a year's service at most ADHCs. Talk about an ROI! There is nothing like it anywhere else in the health care system.

As I said at the beginning of this story, regrettably, I was once counted amongst the group that thought ADHCs were unnecessary and a waste of money. But, after years in the trenches working with ADHCs and the California Association for Adult Day Services (CAADS) I have come to see ADHC in a much different light, and I'm convinced that my health plan and RBO colleagues will also come to realize that ADHCs are valuable resources and partners in the fight to achieve the Triple Aim.

If your organization is at-risk, consider adding one or more local ADHCs to your provider panel and solicit their involvement and expertise in the management of your high risk patients. They are incredibly savvy folks and likely know a lot about keeping high risk patients safe which can lead to significant cost savings for your organization if you work as a team!

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