



Department of Health Care Services Adult Day Health Care (ADHC) Transition Frequently Asked Questions



Effective Date

- Q. When does the ADHC benefit go away?
- A. The effective date of elimination of ADHC as an optional benefit under Medi-Cal is December 1, 2011. Initially the Department of Health Care Services (DHCS) submitted, and CMS approved, the State Plan Amendment (SPA) to eliminate the ADHC benefit, effective September 1, 2011. However, the DHCS director, using his administrative authority, postponed the elimination of the ADHC benefit until December 1, 2011, and submitted a conforming SPA to CMS. CMS approved this SPA, allowing California to claim federal financial participation for ADHC services through November 30, 2011.

Information Sharing

- Q. What is the department doing to inform ADHC participants about the elimination of ADHC as a Medi-Cal covered benefit?
- A. In late August and early September, DHCS undertook a special outreach and education campaign to inform ADHC participants about the elimination of the ADHC benefit, the importance of their providing informed consent to their ADHC centers to streamline the referral process, and the alternative services available to them in their communities, through managed care, PACE, SCAN, Fee-For-Service or waiver programs.

The notices to ADHC participants were distributed to ADHC centers, managed care plans, and other involved organizations so that they can help respond to questions that ADHC participants may ask them.

- Q. How can I get current, reliable information about the ADHC transition?
- A. The department has a website (<http://DHCS.ca.gov/ADHCtransition>) specific to the ADHC transition and so does the California Department of Aging (CDA) (www.aging.ca.gov/programs/adhc/default.asp).

DHCS is also using a comprehensive list of interested stakeholders to send them updated information on a periodic basis. DHCS will regularly issue communications to affected participants, ADHC program administrators, advocates, industry representatives, sister agencies and their local counterparts, and other stakeholders about the ADHC transition.

- Q. Will there be a community resources guide for ADHC centers in counties outside LA County?
- A. DHCS, in partnership with other state agencies, compiled community resource guides for Los Angeles, Orange, San Diego, San Francisco, and Santa Clara counties. The guides identify service delivery options in local communities, listing key agencies and their contact information to assist ADHC centers, managed care plans, and other participating organizations with transition planning. These guides are posted on the DHCS and CDA websites.

Patient Discharge/Care Coordination

- Q. When should ADHC centers begin discharge planning?
- A. Discharge planning should begin as soon as possible. ADHC centers have been requested to fill out the ADHC Discharge Plan form, which is available on the DHCS transition website at <http://DHCS.ca.gov/ADHCtransition>. Reimbursement is available for fully completed forms submitted to the Sacramento Field Office. Original completed ADHC Discharge Plan forms should be mailed to:

Sacramento Medi-Cal Field Office
1501 Capitol Avenue, MS 4510
P.O. Box 997427
Sacramento, CA 95899-7427
Attn: ADHC Discharge

Fully completed ADHC Discharge Plan forms postmarked:

- Now through October 15, 2011: Reimbursement \$60
- October 16 – November 30, 2011: Reimbursement \$30
- December 1, 2011, or later will NOT be reimbursed.

Discharge planning is a required component of the ADHC program (Title 22, California Code of Regulations, Sections 54213 and 78345).

- Q. After we complete discharge planning, how soon do we have to discharge our participants?
- A. ADHC centers may continue to provide medically necessary ADHC services to their participants through November 30, 2011.

- Q. While we are doing the discharge, should we still provide all the services the individual participant needs?
- A. Yes. ADHC services for Medi-Cal participants must continue as scheduled on their authorized individual plans of care until either they transition to alternate services or until they stop receiving ADHC services at your ADHC center.
- Q. Should our center continue reassessing our participants? When should we stop the reassessment procedures?
- A. ADHC service requirements, including assessment and reassessment of participants, remain unchanged through November 30, 2011. ADHC centers should continue to reassess their participants who are up for reauthorization in August, September, and October. Reassessment should directly link to discharge plans for these individuals.
- Q. Should we continue to admit new participants if they are medically necessary and eligible? When do we stop accepting new admissions?
- A. Whether your center accepts new participants depends upon your center's service philosophy and business plan. The processes of assessing a potential participant, developing the Individual Plan of Care (IPC), obtaining authorization, and delivering services take time. Although ADHC services remain a covered Medi-Cal benefit through November 30, 2011, the benefits to new patients and centers will substantially diminish the closer it gets to November 30. Remember that new participants may have to be planned for discharge at the same time or shortly after they are assessed for services needs.
- Q. What about ADHC participants who also receive services through In-Home Supportive Services (IHSS), regional centers, the Multipurpose Senior Services Program (MSSP) or other Home and Community-Based Services (HCBS) waivers?
- A. These participants should contact their HCBS programs to see if they qualify for additional services because they are losing ADHC services.
- Q. What is the department doing to help ADHC centers make referrals and coordinate services?
- A. Under the Health Insurance Portability and Accountability Act's (HIPAA's) care coordination provisions, DHCS is providing its partner departments with information about ADHC participants who utilize other HCBS programs so that these programs can anticipate the volume of reassessment requests that will be made over the next few months and effectively and timely manage this workload.

In managed care counties, DHCS will work with the plans to facilitate cooperation and collaboration among ADHC centers, the plans and the social service programs that can assist former ADHC participants stay in their homes. DHCS is sharing the current available IPC with the appropriate managed care plan or APS Healthcare for those ADHC clients remaining in Medi-Cal fee-for-service (FFS).

- Q. What will happen to recipients who have not been placed when the benefit ends on December 1?
- A. All ADHC clients will receive a comprehensive health assessment, either by the appropriate managed care plan or APS Healthcare, and ongoing care coordination to meet their health needs. A webinar was held on the IHO Initial Assessment Report form to determine if the client may meet nursing facility level B (NF-B) level of care for the IHO Waiver. The webinar took place on August 31, and the recording and response to questions are available online. A second webinar will be held on October 26, 2011. To register for the webinar, visit the website at <http://DHCS.ca.gov/ADHCtransition>.

Managed Care Enrollment

- Q. What does enrolling ADHC participants in Medi-Cal managed care entail?
- A. If they live in counties which have Geographic Managed Care or Two Plan options, ADHC participants eligible for both Medicare and Medi-Cal received notification mailings the third week of August (regional center participants received notification the third week of September). These mailings notified them about the elimination of the ADHC benefit and provided information on managed care, and an enrollment packet to choose a plan within their county. The first week of September, a second mailing translated into preferred languages was sent to the same ADHC participants reminding them to make a choice (regional center participants received the reminder notice the second week of October).

Additionally, a mailing was sent to Seniors and Persons with Disabilities (SPDs) who are ADHC participants and are a part of the SPD transition. It informed them of the change to the ADHC benefit and encouraged early plan enrollment, prior to their mandatory enrollment date, so that they can receive the health assessment and care coordination to transition.

- Q. Will managed care plans be forced to enroll former ADHC participants?
- A. No. Managed care health plans will provide services to ADHC participants upon enrollment into a health plan as they do today. They will be focusing specifically on the ADHC members to ensure a smooth transition from the ADHC centers. Enrollment in a health plan will continue to be voluntary for ADHC members who have Medicare and they can choose to leave a health plan at any time.

- Q. Will the plans be allowed to contract with the former ADHC centers to provide services?
- A. Yes. Managed Care health plans are not restricted from contracting with former ADHC centers; however, they are not required to do so.
- Q. Will the managed care plans provide mental health and social services as well as medical care?
- A. Managed care health plans will provide their normal scope of medical services to ADHC participants (with mental health services carved out of most plans). Nonetheless, managed care plans will be responsible for coordinating former ADHC member's needs for mental health and social services with local service agencies.
- Q. How will DHCS establish accountability for the managed care plans?
- A. The goal of working with health plans in the ADHC transition is to prevent unnecessary institutionalization. Health plans will be monitored to ensure they are working closely with former ADHC members to provide the care management and services they need. DHCS has not yet determined what incentives and penalties will attach to managed care plan performance.

Fee-For-Service and Waiver Options

- Q. What will be available for ADHC participants who don't live in managed care counties, or choose to disenroll from managed care plans?
- A. DHCS is expanding its contract with a current care management contractor, APS Healthcare, to offer and pay for the same services (health risk assessment, care coordination and case management) as those offered by the plans. Currently APS Healthcare provides comprehensive case management for persons with chronic health conditions in Butte, Shasta, Contra Costa, Sutter, El Dorado, Tehama, Placer, Yuba, Humboldt, and Sacramento Counties. APS Healthcare also provides services for persons with chronic health conditions and serious mental illness in Kern, Stanislaus, Kings, Tulare, Madera, and San Diego Counties.

In addition to the services available through APS Healthcare, DHCS is amending the In-Home Operations (IHO) Waiver to cover ADHC participants who are at a long term care (LTC) institutional placement level (Nursing Facility B level of care). ADHC participants who meet the IHO Waiver participation criteria will be eligible to receive IHO Waiver services at the same level of funding as their historic annual Medi-Cal costs.

Reimbursement

- Q. Will Medi-Cal pay ADHC centers for services provided between now and December 1?
- A. Yes. The department has instructed the Medi-Cal fiscal intermediary to process claims for ADHC services provided before December 1, 2011-- the effective date of ADHC benefit elimination. ADHC providers will retain the ability to bill for services rendered prior to the termination date for a full calendar year after ADHC elimination.
- Q. Will managed care plans receive enhanced compensation for enrolling ADHC recipients?
- A. Yes. Enhanced capitation will be paid to cover the additional services and costs associated with ADHC participants (e.g., comprehensive assessment within 45 days and intensive care management due to increased morbidity).
- Q. How will the state calculate enhanced capitation rates for the managed care plans?
- A. DHCS will follow the same actuarially sound capitation rate setting process as it does currently for the Two-Plan, GMC, and COHS models. The state will analyze the underlying morbidity risk and services to be provided to the ADHC participants by managed care plans. The projected costs will be compared to existing Category of Aid (COA) rates to determine where capitation rate adjustments will occur. Based on the analysis performed, DHCS will pay unique capitation rates to the managed care contractors related to this former ADHC population.

Options for ADHC Centers

- Q. What will happen to the existing ADHC centers?
- A. That depends on each center's service philosophy and business plan. Some centers are exploring other participant populations and funding sources like the Veterans Administration and private payers. Other ADHC centers may contract with managed care plans or other social service organizations to continue to provide services such as protective supervision, social day care or respite care as part of a plan of care to avoid institutionalization.
- Q. How does an ADHC center apply to provide an Adult Day Program?
- A. ADHC centers can apply for a dual ADHC/Adult Day Program with the California Department of Public Health. On August 3, 2011, CDA sent an instruction letter to all ADHCs providing them with information on the processes. The instructions can

be accessed through the CDA website on the ADHC page at www.aging.ca.gov, or providers may call their licensing district office:

San Jose Licensing District Office: (408) 277-1784
Orange County Licensing District Office: (714) 567-2815

- Q. Can ADHC centers provide services under HCBS waivers?
- A. DHCS is amending the In-Home Operations (IHO) Waiver to allow ADHC centers to qualify as Community Based Adult Services (CBAS) providers of IHO services (case management, nursing, and personal care services). DHCS will also add CBAS providers as a provider type under the Nursing Facility/Acute Hospital (NF/AH) Waiver, allowing participating ADHC centers to serve current NF/AH Waiver participants. The instructions and application for becoming a CBAS provider will soon be posted on the ADHC Transitions website.

Tracking ADHC Participants

- Q. Will the state track the outcomes for former ADHC participants?
- A. Yes. DHCS will track outcomes on two levels. First, the department will utilize data from the Discharge Plan forms submitted by the ADHC centers and reports from managed care plans, and other involved organizations on discharge planning, comprehensive assessment and care coordination efforts they perform. This will tell us what options former ADHC participants selected (e.g., managed care enrollment, IHO waiver, additional IHSS hours, APS assessment and case management, etc.) during the transition period. Participant demographic, clinical and service information will be tracked, as well as health status and outcomes, where possible.

The second level of tracking will involve finding out about the former ADHC participants' future health care service utilization (acute hospital admissions, emergency room visits, nursing home admits, etc.) compared to a similar control population. This latter tracking will depend upon Medicare and Medi-Cal paid claims data, hospital discharge reporting, Minimum Data Set (MDS) assessments, and the like, which may not be available until a year or 18 months after the transition period.

Transition Funding

- Q. How will DHCS spend the \$85 million allocated for the transition?

- A. Potential uses for transition funding include:
- Paying ADHC claims through November 2011.
 - Providing enhanced capitation payments to Medi-Cal managed care plans for enrolling ADHC participants. These enhanced capitation payments will cover additional assessment and care planning activities and will adjust for the higher levels of acuity of ADHC participants.
 - Increasing the number of counties served by the APS Healthcare contract to provide comprehensive assessment, linkage to providers, and ongoing care management to persons with severe, chronic medical or mental health issues.
 - Amending the IHO Waiver to cover 1,000 ADHC participants who meet the NF-B level of care, and to allow ADHC centers to be HCBS providers under the waiver.
- Q. Is the \$85 million budgeted for the transition an ongoing expenditure, or just one year?
- A. In addition to the transition funding in the 2011/12 budget, \$85 million general fund is provided in DHCS' budget base for future fiscal years to cover the costs of additional ongoing services needed by former ADHC participants. To the extent allowable, DHCS will draw down federal financial participation with these funds.

Other Questions

- Q. What will happen if the lawsuit prevents the elimination of the benefit?
- A. If so ordered by the Court, DHCS will continue authorizing and paying for the ADHC benefit according to existing Medi-Cal policies and procedures. Moreover, DHCS will continue implementing the ADHC transition plan so that ADHC participants can have their care needs satisfactorily met until the Court sees fit to lift its injunction.

October 18, 2011