



November 20, 2020

The Honorable Mitch McConnell
Senate Majority Leader
U.S. Capitol Building, Room: S-230
Washington, DC 20515

The Honorable Charles Schumer
Senate Minority Leader
Hart Senate Office Building, Room: 419
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker of the House
U.S. Capitol Building, Room: H-232
Washington, DC 20515

The Honorable Kevin McCarthy
House Minority Leader
U.S. Capitol Building, Room: H-204
Washington, DC 20515

Dear Speaker Pelosi and Leaders McConnell, McCarthy and Schumer:

LeadingAge and the National Adult Day Services Association (NADSA), on behalf of the more than 260,000 vulnerable Americans who rely on adult day services across the country, reiterate our request¹ that Congress consider appropriating and/or directing funds (\$422.5 million) to support adult day services providers in any future legislation addressing the COVID-19 pandemic.

The more than 5,500 adult day services providers across the country urgently need dedicated federal funding to ensure they are able to continue providing services during and after the COVID-19 pandemic ends.

Adult Day Services Are a Key Part of the Aging Services Continuum

Adult day services (ADS) providers are an integral part of the home and community-based services system and serve more than 260,000 older Americans and Americans with disabilities. A large portion of people receiving ADS experience dementia (31%) and/or live with chronic conditions such as diabetes (31%) and heart disease (27%). And, about 4 in 10 people who receive ADS are over the age of 75 (42%).² People who attend adult day centers often need a range of services and supports, including meals, social activity, medical/nursing care and therapies. ADS providers are critical toward meeting these needs.

Additionally, ADS offers respite to family members. People who attend adult day services typically do so during normal business hours, allowing their family caregivers to continue to work and engage in the community – all while keeping people receiving ADS in their homes and communities. The vast majority of people receiving ADS live in their own home or with family (77%). Because they are typically less expensive than residential care and in-home services, adult day services are also a particularly valuable option for long-term term services and supports for middle- and lower-income families.

ADS providers not only provide older Americans and Americans with disabilities with key services while keeping them in their homes, but also do so in a cost effective manner. In a 2019 estimate from Genworth, the national median cost of adult day services is \$1,625 per month³, compared to more than \$4,000 for assisted living and more than \$7,500 for nursing home care. ADS represent a smart

investment for aging services, and the loss of these providers could raise costs for consumers, states and the federal government.

Without a robust network of ADS providers, many people who currently receive ADS could be forced into more costly settings, such as nursing homes. A loss of ADS providers could also force family caregivers out of the workforce to provide full-time care.

Recent surveys of ADS providers have found that the pandemic has had significant consequences for participants and their families, including increases in isolation, family caregiver stress, loss in cognition, and need for higher (and more expensive) levels of care.⁴

COVID-19 Poses a Threat to Adult Day Services

The COVID-19 pandemic has caused severe financial difficulty for ADS providers across the country. To limit the spread of the virus, several states and localities required ADS providers to close beginning in March, and several more across the country did so voluntarily. While some ADS providers have reopened over time, most have done so with limited participant capacity and with significantly fewer people are showing up to receive services. As a result, revenue for ADS has collapsed, including from public coverage (e.g., Medicaid) and from out-of-pocket payment for services.

Because ADS providers are losing revenue, they like other small businesses and entities across the country are in financial jeopardy on a long-term basis. More than half of ADS providers are free-standing organizations and not chain-affiliated (57%).⁵ If an ADS provider closes during the pandemic, there is no guarantee they will have the staff and/or financial resources to re-open afterwards. In one state, ADS providers reported an average participant decrease of 64%, with 23% reporting a total loss of participants.⁶ This could have long-term, negative implications for access to ADS nationwide and could jeopardize the long-term services and supports so many Americans and their families rely upon.

Previous Federal COVID-19 Relief Has Provided Limited Support for Adult Day Services

To be sure, ADS providers across the country have received some of the dollars made available through the FFCRA and the CARES Act. While these have been helpful, these packages have not been able to make up for the losses ADS providers have sustained since March, nor were they designed to do so.

Several ADS providers accessed Paycheck Protection Program loans, but these were meant to cover expenses over an 8 week period; the pandemic has lasted about 8 months. Further, ADS providers were only able to access Provider Relief Fund dollars in the second half of this year, and payments from that fund have been limited (~2% of pre-pandemic revenue). A small number of states have used the Coronavirus Relief Fund to create long-term care support funds that include ADS, but most have not.

In addition, flexibilities from the Centers for Medicare and Medicaid Services have allowed states to make retainer payments to ADS and other providers and expanded use of telehealth in ADS. While many states continue to allow telehealth delivery, not all do. And, the retainer payments are time-limited to three months (90 days) and do not account for non-Medicaid participants.

Dedicated federal funding is needed to ensure that the adult day services network is able to sustain throughout the COVID-19 pandemic and will be there to continue serving older Americans and Americans with disabilities after it ends.

The Future of Adult Day Services Requires Federal Action

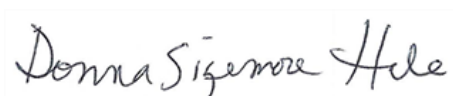
We request \$422.5 million be made available to adult day services providers to offset revenue loss during mandatory closures and reduced attendees.⁷ Such funding could be newly appropriated, or Congress could direct federal agencies to set funds aside for adult day services from funds appropriated in the CARES Act.

Thank you for considering this letter and supporting adult day services providers and the people they serve. Please don't hesitate to reach out to us or have your staff reach out to Brendan Flinn (bflinn@leadingage.org) of LeadingAge or Roy Afflerbach (senioradvocacy@theafflerbachgroup.com) of NADSA.

Sincerely,



Katie Smith Sloan
President and Chief Executive Officer
LeadingAge



Donna Sizemore Hale
Executive Director
National Adult Day Services Association

¹ LeadingAge and NADSA first made this request of Congress in April 2020 (<https://leadingage.org/sites/default/files/LeadingAge%20NADSA%20letter%204.3.pdf>)

² Centers for Disease Control, National Study of Long-Term Care Providers, https://www.cdc.gov/nchs/data/nsltcp/2016_NSLTCP_ADSC_Weighted_Estimates.pdf

³ The median daily cost of adult day services is \$75. The monthly figure represents 21-22 days of services per month.

⁴ LeadingAge Minnesota, COVID-19 and Adult Day Services, https://www.leadingagemn.org/assets/docs/2020_InfoGraphic_AdultDay_CovidFindings.pdf

⁵ Centers for Disease Control, National Study of Long-Term Care Providers, https://www.cdc.gov/nchs/data/nsltcp/2016_NSLTCP_ADSC_Weighted_Estimates.pdf

⁶ LeadingAge Minnesota, Adult Day Services Trends Survey August 2020, https://www.leadingagemn.org/assets/docs/2020_InfoGraphic_AdultDay_TrendsSurvey.pdf

⁷ \$422.5 million represents one month of services (\$1,625) based on the Genworth data for 260,000 ADS participants. This amount will be spread across several months while attendance and days of service are reduced. These funds will serve as a lifeline to assure day service capacity remains available through and after the pandemic comes to an end.