

Adult Day Services/ Adult Day Health:

REIMBURSEMENT AND SCOPE OF
SERVICES PROVIDED UNDER MEDICAID
AND MEDICAID WAIVERS

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Introduction

Medicaid provides health coverage to more than 4.6 million low-income seniors, nearly all of whom are also enrolled in Medicare. Medicaid also provides coverage to 3.7 million people with disabilities who are enrolled in Medicare. About three-quarters of adult day services centers (77.1%) were authorized or certified to participate in Medicaid in 2012.¹

Many of these individuals would require nursing home placement, if it were not for the home and community-based services they receive through their state's Medicaid State Plan and/or Medicaid waivers. Adult day services and /or adult day health are covered services included in the 1915 (c), 1915 (b), 1115 Medicaid waivers, 1915 (i), and/or the State Medicaid Plan in 49 states and the District of Columbia. Recent federal and state Medicaid policies, including the Money Follows the Person Demonstration (MFP) and the Balancing Incentive Program, were implemented to help states rebalance their long-term care systems and to reduce dependence on institutional care. These federal programs have also been a catalyst for the growth of adult day services.

This report's goal is to help state Medicaid and Department of Aging Services, adult day and aging services advocacy organizations better understand how states pay for adult day services/adult day health through the Medicaid program. If you compare adult day services to other long-term service provider types covered by Medicaid and Medicaid waivers, adult day services and adult day health tend to be the most cost effective providers within the waiver or State Plan.

We have categorized adult day services in this report based on their Medicaid/Medicaid waiver reimbursement rate, rates based on acuity level or services provided, rates based on the location of the adult day center in the state, and the negotiated rate from the state or Managed Care organization. Some states use more than one method to determine payment rate.

Also payments may vary by waiver which usually aligns with the population being served such as Traumatic Brain Injury waiver, Aging and disability waivers.

Finally, the report is a resource to identify best practices in reimbursement methodology for adult day services.

¹ U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES. Centers for Disease Control and Prevention. National Center for Health Statistics. Long-Term Care Services in the United States: 2013 Overview. Online at http://www.cdc.gov/nchs/data/nsitcp/long_term_care_services_2013.pdf

Medicaid Methodology and Utilization Groups for Adult Day Services and Adult Day Health

In order to better understand how states are paying adult day services/adult day health through their Medicaid programs, the states have been divided into different categories of reimbursement based on the amount that they are paid, how payment is determined, and the scope of services required by regulations.

- 1. Low Reimbursement Group:** This group contains states that have Medicaid reimbursement of less than \$50 per day:
 - South Dakota \$5.36 per hour
 - Idaho \$1.50/15 minute unit (\$6.00/hour)
 - North Carolina \$38.53 per day (6 hour minimum)
 - Illinois- \$9.02 per hour hour (no minimum)
 - Utah- \$39.18/day for 4 or more hours
 - Alabama- \$24.32 per diem, for a minimum of 4 hours
 - Oklahoma \$1.88 per 15 minute unit
 - Kansas- \$43.86, per diem (for minimum of 5 hours)
 - Wyoming- \$8.40 per hour, \$2.10 per 15 minute
 - New Mexico- \$8.16 /hour
 - Montana- \$2.16/15 minute unit
 - Missouri- \$2.26 per 15 minutes
 - South Carolina \$48.13 per day
 - New Hampshire- \$49.24 per day
 - Iowa- (uses the Adult Day Center's Veteran's Administration contract rate as a base)
 - Colorado- \$24.06/half day unit for basic ADS and \$30.73/half day unit for specialized ADS (EBD waiver)
- 2. Middle Reimbursement Group:** This group includes states that have a Medicaid reimbursement between \$50 and \$70 per day:
 - North Dakota- Rates range from \$22.40 to \$42.78 for a half day
 - Georgia \$50.45 level 1 under CCSP full day- 5 hours \$63.07 level 2
 - Rhode Island - \$52.98 full day
 - Mississippi \$57.13 per day
 - Arizona- \$59.91 full day
 - Arkansas- \$10.16 per hour giving meds and \$7.68 per hour giving no meds
 - Louisiana Adult Day Health Care is paid \$2.40/15 minutes
 - Tennessee- \$2.48 per unit/ 15 minutes
 - Florida \$2.50 / 15 minute (varies-negotiated rate)
 - Maine ADS and ADHC - \$12.56 /hour

- Indiana Adult Day Services Basic (level 1) \$3.06 per ¼ hour for A&D waiver Adult Day Services Enhanced (level 2) \$3.06 per ¼ hour for A&D and Adult Day Services Intensive (level 3) \$3.06 per ¼ hour for A&D (based on a 5 hour day)
 - Kentucky- level 1- \$2.57/15min, Level 2 \$3.12/ 15 min
 - Colorado- \$24.06 ½ day basic and \$30. specialized
- 3. Higher Reimbursement Group:** This group includes states that have a Medicaid reimbursement of more than \$70./day :
- California- Community-Based Adult Services (CBAS) providers for a minimum of four hours of daily services to a participant is \$76.27. Of the 241 CBAS centers statewide, approximately 200 centers are subject to the AB 97 (Chapter 3, Statutes of 2011) rate reductions and receive a FFS daily rate of \$68.64.
 - Nebraska \$70.00 per day
 - Maryland Adult Day Health \$74.50/day
 - Vermont \$15.40 per hour
 - Hawaii - \$79.00 and showers were \$30.00 (under MCOs)
 - Minnesota- 15 minute rate is \$3.37
 - Connecticut- Adult Day Health \$70.92
 - Delaware- \$77.44 /day for a 6 hour day
 - District of Columbia - Acuity Level 1 - \$98.70; Acuity Level 2 - \$125.78 for 6 hours
- 4. Multiple Rates Based on Acuity / Scope of Services Reimbursement Group:** This group includes states that pay Medicaid rates based on the acuity level of the clients or the scope of services provided:
- Colorado- \$24.06/half day unit for basic ADS and \$30.73/half day unit for specialized ADS (EBD waiver)
 - Connecticut- Adult Day Health \$70.92 full day and social model is \$66.84
 - Georgia \$50.45 level 1 under CCSP full day- 5 hours \$63.07 level 2
 - Indiana Adult Day Services Basic (level 1) \$3.06 per ¼ hour for A&D waiver Adult Day Services Enhanced (level 2) \$3.06 per ¼ hour for A&D and Adult Day Services Intensive (level 3) \$3.06 per ¼ hour for A&D (based on a 5 hour day)
 - Indiana under TBI waiver Adult Day Services Basic (level 1) \$21.95 per ½ day for TBI; Enhanced (level 2) \$28.80 per ½ day for TBI; Intensive (level 3) \$34.29 per ½ day
 - Nevada Adult Day Care under a 1915 (c) waiver for the aged, 65+ is \$40 per day and Adult Day Health care under the State \$54.48 per day.
 - Arkansas- \$10.16 per hour giving meds and \$7.68 per hour giving no meds
 - Massachusetts: Basic is reimbursed at \$58.83 and Complex is \$74.50
 - Texas- \$14.24 to \$15.99 per unit (3 to 5 hours per unit)
 - Kentucky- Level I \$2.57 per unit of service and Level II \$3.12 per unit of service
 - Ohio- Enhanced and Intensive. One level of service and two levels of service. Enhanced \$49.39 for 1 Day and Intensive \$64.84
 - Delaware offers an enhanced rate paid by Managed Care Organizations (MCOs)
 - District of Columbia - Acuity Level 1 - \$98.70; Acuity Level 2 - \$125.78

- 5. Multiple Rates Based on Location in the State:** This group includes states that pay Medicaid rates based on the geographic location of the program within the State. The variation in rate corresponds to differences in wage and other operational costs within the state:
- Virginia- Northern Virginia \$60.10/day. Rest of the State \$55.65 per day
 - Washington- Adult Day Health Care range from \$67.09 to \$72.44 and Adult Day Care range from \$39.25 to \$44.14
 - Pennsylvania- \$50.86 in region 3 to \$59.80 in region 4
 - Alaska- Rate adjustments range from no adjustment to the base rate in the Anchorage region to 50% increase in the rate for ADS in the Aleutian region of Alaska. Half day base rate of \$84.11 (up to 4 hours)
- 6. Negotiated Rate Group:** This group includes states (or designee) that negotiate the Medicaid payment rate with the provider:
- Iowa- Provider's rate in effect 6/30/13 plus 3%, converted to a 15-minute, half-day, full-day, or extended-day rate. (use the Adult Day Center's Veteran's Administration contract rate as a base)
 - New York- Managed Care plans. Both ADC and ADHC
 - Florida- Statewide Medicaid Managed Care Long-term Care (LTC) program (a 1915(b)/1915(c) waiver),
 - Hawaii- Managed Care Organizations \$79.00 per day
 - California- For Community-Based Adult Services (CBAS) providers, Managed Care Organizations may pay CBAS providers via either an all-inclusive rate per day of attendance per plan beneficiary (daily rate) or some other rate structure reflective of the acuity and/or level of care of the plan beneficiary or plan population served by the CBAS providers. MCOs may include in their rate structure incentive payment adjustments and performance and/or quality payment adjustments.
 - Michigan- negotiated between the Medicaid waiver agent and provider
 - Oregon- negotiated contracts with the State
 - Delaware-\$77.44 /day for a 6 hour day
 - New Jersey- Negotiated with the Managed Care Organization (\$73 and \$78.50 a day)
 - Texas- MCOs can negotiate rates
 - Wisconsin- MCOs negotiate rates \$49 - 80 per day (dependent on level of care)
 - Minnesota- MCO can negotiate rates
 - North Dakota- Rates range from \$22.40 to \$42.78.
 - New Mexico- Adult Day Centers paid by MCOs, but Medicaid rate paid
 - Kansas- \$43.86, per diem (MCOs can negotiate higher rate with providers)
 - Arizona- through MCO (can negotiate transportation payment)
- 7. No Medicaid or Waiver Payment for Adult Day Health or Adult Day Services:**
- West Virginia (can be paid by the client through self-direction)

State Medicaid rates, payment methodology and scope of services

Alabama: Alabama offers Adult Day Health services through two of their 1915c Waivers. It is not a clinical model. The current rate is \$24.32 per diem, for a minimum of 4 hours.

In Alabama, adult day care (ADC) and adult day health (ADH) services providers are required to maintain one staff member for 1-10 participants, two for 11-25 participants, three for 26-35 participants, four for 36-43 participants, and an additional staff member for each additional eight participants.²

Alabama's Medicaid waiver rate is in the lowest payment rate category; although the staffing requirements and the lower operational expenses in the non-clinical model may help providers remain financially sustainable.

Alaska: Effective July 1, 2015 Alaska has a half day rate of \$84.11 and a 15 minute rate of \$5.25 for Adult Day Services paid through the Medicaid waiver. Service rates are adjusted to reflect regional differences in the cost of doing business based on the region the providers are located. Rate adjustments range from no adjustment to the rate in the Anchorage region to a 50% increase in the rate for the Aleutian region of Alaska.

Transportation is paid at \$14.74 per trip up to 20 miles, and \$29.48 per trip greater than 20 miles. Similar to the rate adjustment used for the Adult Day reimbursement, transportation payments are adjusted based on region of the state.

In Alaska, Adult Day Service providers must offer medication administration as part of their services. This means the providers must have someone trained to administer medications, such as a registered nurse unless some other arrangement is made. Adult Day Service providers must meet a minimum staff-to-participant ratio of 1:8, unless some participants have a diagnosis of Alzheimer's disease or another type of dementia, in which case the required ratio is 1:4.³

Alaska is in the highest payment rate category; although the staffing requirements and high operational expenses due to geographic barriers may be a challenge for providers to remain financially sustainable.

Arizona: The Arizona Long Term Care System (ALTCs) providers receive \$2.57 per quarter hour; \$29.96 half day and \$59.91 full day from the state, but they are able to contract the rate they choose with the adult day providers. A full day is considered 6 plus hours. The ability to negotiate a contracted rate under the managed care system affects whether or not some providers receive transportation reimbursement.

In Arizona, a registered nurse (RN) must be on the premises daily to administer medications and treatments, and to monitor participants' health status. At least two personnel members must be present on the premises whenever two or more participants are in the ADHC facility.⁴

Arizona's adult day reimbursement is in the middle reimbursement category, as well as a negotiated rate.

² U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adulday14-AL.pdf>

³ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adulday14-AK.pdf>

⁴ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adulday14-AZ.pdf>

Arkansas: In Arkansas Medicaid reimbursement for ADHC is \$10.16 per hour giving medications and \$7.68 per hour giving no medications. Reimbursement does not include transportation.

In Arkansas, at a minimum, there must be at least two direct care staff persons when 2-16 participants are present, and one additional direct care staff person for any number of up to eight additional participants. An ADHC program must have a full-time *health care coordinator* to supervise the delivery of health care services. The health care coordinator must be either an RN or an LPN under the supervision of an RN.⁵

California: There are two models of Adult Day covered under Medicaid (Medi-cal in CA)

CBAS: Community-Based Adult Services -California's Bridge to Reform (BTR) 1115 Waiver

Adult Day Program: Multipurpose Senior Services Program (MSSP) 1915(c) waiver which allows for purchase of adult day program services

The published Medi-Cal fee-for-service (FFS) reimbursement rate to Community-Based Adult Services (CBAS) providers for a minimum of four hours of daily services to a participant is \$76.27. Of the 241 CBAS centers statewide, approximately 200 centers are subject to the AB 97 (Chapter 3, Statutes of 2011) rate reductions and receive a FFS daily rate of \$68.64. Payment to cover transportation to and from the center and the participant's place of residence is included in the FFS daily rate and managed care reimbursement structure.

CBAS is primarily a Medi-Cal managed care benefit in all California counties where CBAS services are available and remains a Medi-Cal FFS benefit for fewer than 350 individuals who are exempt from managed care due to certain medical or eligibility criteria. Adult Day Health Care (ADHC) remains a non-Medi-Cal program for individuals who pay "out-of-pocket" for services in licensed ADHC centers. Third party payers such as long-term care insurance companies, Regional Centers, or the Veterans Administration may also pay for ADHC services.

Prior to December 2014, Managed Care Organizations (MCO) were required to reimburse all CBAS providers, at a minimum, at the FFS all-inclusive daily rate. Since December 1, 2014, MCOs have had the flexibility to continue reimbursing CBAS providers at an all-inclusive daily rate, or to negotiate other rate structures, such as acuity based rates, with CBAS providers with no required minimum reimbursement rate floor. The FFS all-inclusive daily rate may continue to be the managed care plans' "default" rate of payment to their contracted CBAS providers or they may negotiate new rate and reimbursement structures to maintain the network capacity necessary to meet their members' needs.

Managed Care Organizations (MCO) negotiate rates with individual CBAS providers for the provision of CBAS. As of December 2014, and pursuant to CMS' approval of the CBAS provisions of California's BTR 1115 Waiver, MCOs may pay CBAS providers via either an all-inclusive rate per day of attendance per plan beneficiary (daily rate) or some other rate structure reflective of the acuity and/or level of care of the plan beneficiary or plan population served by the CBAS providers. MCOs may include in their rate structure incentive payment adjustments and performance and/or quality payment adjustments.

The following is the CBAS Provider Reimbursement language included in the CBAS provisions of the BTR 1115 Waiver, Special Terms and Conditions (STC), Item 100:

DHCS shall reimburse CBAS providers serving eligible Medi-Cal beneficiaries who are exempt from enrollment in Medi-Cal managed care at an all-inclusive rate per day of attendance per beneficiary. DHCS publishes these rates.

⁵ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adultday14-AR.pdf>

Managed care plans shall reimburse contracted CBAS providers pursuant to a rate structure that shall include an all-inclusive rate per day of attendance per plan beneficiary, or be otherwise reflective of the acuity and/or level of care of the plan beneficiary population served by the CBAS providers. Plan payments must be sufficient to enlist enough providers so that care and services are available under the plan at least to the extent that such care and services were available to the respective Medi-Cal population as of April 1, 2012. Managed care plans may include incentive payment adjustments and performance and/or quality standards in their rate structure in paying CBAS providers.

As of December 2014, CBAS provider reimbursement methods may vary. Historically, ADHC/CBAS providers were reimbursed a FFS all-inclusive rate per day of attendance (comprising a minimum of four hours of service) per beneficiary. However, the methods of CBAS provider reimbursement through a managed care delivery system changed in December 2014 with CMS' approval of the CBAS provisions in the BTR 1115 Waiver.

In California, the direct care staff-to-participant ratio must not be less than 1:8 (or fraction thereof). Whenever a participant who relies upon others to perform all ADLs is present, the staff-to-participant ratio must be no less than 1:4. The program director, a RN with a public health background, a medical social worker, a program aide, and an *activity coordinator* must be on duty during the hours the center offers basic services.⁶

Colorado: Colorado is in the middle reimbursement group, as well as having reimbursement based on scope of services provided. All four adult Long Term Services and Support (LTSS) waivers include ADS as a benefit. Colorado has two types of adult day services, basic and specialized. The four waivers are Brain Injury (BI), Community Mental Health Supports (CMHS), Elderly, Blind and Disabled (EBD), and Spinal Cord Injury (SCI). For clients on the CMHS, EBD, and SCI waivers, centers bill for ADS on either a half day (one unit) or full day (one unit). One unit is defined as 3-5 hours of service. Two units are defined as more than 5 hours of service.

There are different rates for basic and specialized ADS. Basic adult day services center means a community-based entity that conforms to all state-established requirements. Specialized adult day services center means a community-based entity determined by the state to be providing intensive health supportive services for participants with a primary diagnosis of Alzheimer's disease or other type of dementia, multiple sclerosis, brain injury, chronic mental illness, or developmental disability; or post-stroke participants who require extensive rehabilitative therapies. To be considered a specialized center, two-thirds of an ADS center's population must be participants whose physician has verified one of the above diagnoses and recommended the appropriate specialized services. For clients on the BI waiver, a full day unit is defined as more than 2 hours of service. There is only one rate, currently set at \$50.66/full day unit. Note: this service requires additional certification that is similar to the specialized certification from CDPHE. For Basic Adult Day Services, the CMHS, EBD, and SCI waivers have a rate of \$24.06/half day unit. Medicaid reimbursement for Specialized Adult Day Services, the CMHS, EBD, and SCI waivers have a rate of \$30.73/half day unit for specialized ADS.

Adult day rule specifically excludes transportation from the ADS reimbursement. However, this doesn't prevent ADS providers from also being non-medical transportation (NMT) providers. The transportation would be billed under the NMT code. A client can have transportation to and from adult day added to their Prior Authorization Request (PAR). The rates for transportation vary depending on the type of vehicle (taxi, mobility van, wheelchair van) and the mileage band.

In Colorado, ADS and SADS center requirements for licensed staff are based on their participants' level of need. All ADS centers must provide nursing services for regular monitoring of participants' ongoing medical needs

⁶ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adulday14-CA.pdf>

and the supervision of medication administration. These services must be available a minimum of 2 hours daily and must be provided by a registered nurse (RN) or a licensed practical nurse (LPN). Certified nursing assistants (CNAs) may provide these services under the direction of an RN or an LPN. All ADS centers must maintain a staff-to-participant ratio of 1:8 or fewer participants to meet the needs of the population served.⁷

Connecticut: Reimbursement for adult day in this state is categorized in the higher reimbursement group, as well as rates based on acuity level. The state has two models of adult day care (ADC): the social model and the Adult Day Health or medical model. The social model is designed for individuals who need supervision and activities, but not extensive personal care and medical monitoring. The medical model provides more extensive personal care, medical monitoring, and rehabilitative services in addition to structured and stimulating activities. The full day rate for Medical model is \$70.92. The full day rate for the social model is \$66.84 and the half day rate is \$44.99.

In Connecticut, Centers offering the medical model of care must meet the following staffing requirements: a program nurse must be available on site for not less than 50 percent of each operating day. The direct care staff-to-participant ratio must be a minimum of 1:7.⁸

Delaware: Delaware moved to a Managed Long-Term Care model in 2012, so the state is no longer involved in rate setting. They have two MCOs who set their own rates. They do provide adult day services under Medicaid reimbursed at \$74.26 per day from both MCOs. The rate is for a 6 hour day. There is an enhanced rate for people who need extra support with behavioral health. This is used mostly for people with brain injuries or other cognitive impairments. The cost of transportation through paratransit is taken from the daily rate. There is currently an \$8.00 R/T rate.

In Delaware, there must be at least one registered nurse or licensed practical nurse on the premises at all times when participants are present for those facilities serving participants requiring nursing services. For facilities with more than 16 participants, there must be a minimum of one adult staff person on duty for each eight participants.⁹

District of Columbia: DC Medicaid is launching a new Adult Day Health Program. The program will be implemented through the 1915 (i) state plan option and 1915 (c) waivers.

There are distinct daily per diems for the two Adult Day Health Program service levels:

Acuity Level 1 - \$98.70Acuity

Level 2 - \$125.78

These are new services that are slated to begin in Fiscal Year 16. Further, the rates were developed based on a daily attendance of 6 hours, which doesn't include the cost of transportation. Transportation services are billed and paid through the DHCF Non-Emergency Medical Transportation contract.

⁷ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adulday14-CO.pdf>

⁸ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adulday14-CT.pdf>

⁹ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adulday14-DE.pdf>

Fully trained and professional staff are required, including, but not limited to, a *licensed social worker*, a *registered nurse* or *licensed practical nurse*, and various therapists.

The required staff ratio is one staff member for every six participants.¹⁰

Florida: This state falls into the negotiated rate category for adult day Medicaid reimbursement. The rates would fall into the middle reimbursement category. Florida provides adult day health care services through three programs: the Statewide Medicaid Managed Care Long-term Care (LTC) program (a 1915(b)/1915(c) waiver), the Project AIDS Care Waiver (1915(c)), and the Program of All-Inclusive Care for the Elderly (state plan). Health plans that deliver adult day health care services through the Long-term Care Program negotiate rates with qualified providers. Transportation is provided through the health plan, and rates are negotiated with providers. The Project AIDS Care waiver pays up to \$2.50 per 15-minute time increment for adult day health care services. Transportation to Project AIDS Care waiver adult day health care is provided through the Medicaid Non-Emergency Transportation benefit, under which a transportation broker is paid a capitation rate to provide all qualified non-emergency transportation services. Qualified providers are licensed by the state and must satisfy a staff to client ratio requirement under the provider licensure rule. A licensed practical nurse can provide the health service overlay under the supervision of a registered nurse.

In Florida, if centers provide adult day health care, the following staff members are required: (1) a registered nurse or licensed practical nurse on site during the primary hours of program operation and on call during all hours the center is open; all LPNs must be supervised by an RN; (2) a social worker or case manager to provide and supervise the provision of social services, including counseling for participants' families and caregivers and compilation of a social history and psychosocial assessment of formal and informal support systems, and mental and emotional status; and (3) an activity director or recreation therapist, who may be retained as a consultant. All services provided by program aides must be directly supervised by the activity director or recreation therapist. A minimum staff ratio of one staff member who provides direct services for every six participants must be present in the center at all times. If licensed as a specialized Alzheimer's services ADC center, the minimum staff-to-participant ratio is one staff member who provides direct services for every five participants with Alzheimer's disease or other dementia.¹¹

Georgia: Georgia Medicaid reimburses for Adult Day Health services under the Community Care Services Program (CCSP), SOURCE program or Independent Care Waiver Program. All three are home and community based waiver services programs. Georgia Medicaid doesn't reimburse for adult day care services that don't use the adult day health medical model.

\$50.45 level 1 under CCSP full day- 5 hours \$63.07 level 2

\$30.27 level 1 under CCSP half day – 3 hours \$37.85 level 2

\$63.07 under ICWP full day

\$37.85 under ICWP partial day

The reimbursement rates for Adult Day Health Services are at www.mmis.georgia.gov Appendix S for CCSP and

¹⁰ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adulday14-DC.pdf>

¹¹ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adulday14-FL.pdf>

SOURCE, and the reimbursement rates for ICWP are in Appendix O of the ICWP Manual. Georgia's adult day reimbursement rates fall in the middle reimbursement category, as well as having payment that is tied to level of care.

In Georgia, Medicaid requires the ADH center director to develop a staffing pattern that meets participants' needs as determined by the number of participants and their functional level. A minimum ratio of staff-to-participants is used to determine adequate staff coverage when participants are in attendance. Staff ratio refers to the staff providing direct services to participants and excludes clerical, food service, and office staff. For participants receiving Level I care, the staff-to-participant ratio is 1:8. For those receiving Level II care, the ratio is 1:4. ADH centers must also hire a registered nurse to assess participants' physical and mental health needs and to develop, and supervise participants' individual plan of care. If the center employs the services of a licensed practical nurse, the *licensed practical nurse* must be supervised by an RN. The LPN shall be available by phone, pager and/or e-mail when not on site at the center.¹²

Hawaii: Hawaii provides all adult day care and health services through managed care health plans. The reimbursement rates are established by health plans not the State of Hawaii. Hawaii is in the negotiated rate category, as well as the higher reimbursement category. One Adult Day Health program reported a daily Medicaid rate of \$79.00 and showers were \$30.00. All the managed care organizations honor the same rate. At the time the contracts were crafted, the adult day providers had a tiered system of fees and \$80.00 per day was their lowest rate. The reimbursement does not cover transportation. Some clients do get Medicaid covered transportation through Logisticare.

In Hawaii, A registered nurse must be employed and a licensed nurse--either a registered nurse or an licensed practical nurse--must be on-site whenever participants are present.¹³

Idaho: Idaho Medicaid only offers Adult Day Health. The Medicaid reimbursement for Adult Day Health Care is \$1.50/15 minute unit (\$6.00/hour). Non-Medical Transportation is offered as a separate benefit service. The state falls into the lower reimbursement category for adult day services payment.

In Idaho, Adult Day Health (ADH) services are provided through two Medicaid 1915(c) waivers: the Aged and Disabled Waiver and the Adult Developmental Disabilities (DD) Waiver. The staff -to-participant ratio must be a minimum of one staff to six participants. As the number of participants and the severity of participant functional impairments increases, the staff -to-participant ratio must be adjusted accordingly. Programs serving a high percentage of participants who are severely impaired must have a staff-to-participant ratio of 1:4.¹⁴

Illinois: Adult Day Service is reimbursed at \$9.02 per hour. Providers are paid by the hour. No minimum. Transportation is separate from the day services rate. Reimbursement is \$8.30 per one-way trip. This places them in the middle reimbursement category for adult day rates across the country. The implementation of managed care may have an impact on the future reimbursement of adult day services.

In Illinois, A program nurse must be a registered nurse (RN) licensed by the state or a licensed practical

¹² U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adultday14-GA.pdf>

¹³ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adultday14-HI.pdf>

¹⁴ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/>

nurse (LPN) licensed by the state under the supervision of an RN. The minimum ratio of full-time or full-time equivalent staff (qualified ADS staff, trained volunteers, or substitutes) present at the ADS site must be two staff for 1-12 participants, three staff for 13 -20 participants, four staff for 21-28 participants, five staff for 29-35 participants, six staff for 36-45 participants, and one additional staff person for each seven additional participants.¹⁵

Indiana: Indiana pays Adult day Services per ¼ hour, as well as ½ day. Participants attend for a minimum of 3 hours or a maximum of 10 hours. There are three different levels – basic, enhanced and intensive. The levels correspond to the staffing and documentation requirements of the LPN. Also staff ratios are different for each level. Staff to participant ratio for level 1 is a minimum of 1:8 and for level 3 is a minimum of 1:4. Indiana’s adult day rates are based on level of care. The rates fall in the middle reimbursement category for adult day services around the country.

Medicaid reimbursement for Adult Day Services Basic (level 1) \$21.95 per ½ day for TBI; \$3.06 per ¼ hour for A&D

Medicaid reimbursement for Adult Day Services Enhanced (level 2) \$28.80 per ½ day for TBI; \$3.06 per ¼ hour for A&D

Medicaid reimbursement for Adult Day Services Intensive (level 3) \$34.29 per ½ day for TBI; \$3.06 per ¼ hour for A&D

Information on rates and units of service can be found in the [IN FSSA Division of Aging Waiver Provider Manual](#). Adult day service transportation is a separate service - \$18.19 per trip on A&D and \$17.06 per trip on TBI

In Indiana, participants attend from a minimum of 3 hours to a maximum of 10 hours per day. Services are offered at three levels, which are determined by the extent of services needed:

For Basic (level 1), a registered nurse (RN) or licensed practical nurse (LPN) with RN oversight must be available as a consultant and for health education needs, assessments, medication oversight or administration, health promotion, prevention of illness, and health screening. The staff-to-participant ratio must be a minimum of 1:8.

For Enhanced (level 2), an LPN must be on staff full-time with monthly documented RN supervision or an RN half-time to provide health assessment upon admission and ongoing at least every 6 months, dispense or supervise the dispensing of medication, administer or oversee treatments, and maintain medical information for each participant. Personal care must be provided by the nurse or personal care attendants who are certified ADS program assistants, certified nursing assistants, qualified medication aides, or home health aides. A degreed social worker, certified therapist, or related professional must be available for monthly consultation and documentation regarding participants’ psychosocial needs. The staff-to-participant ratio must be a minimum of 1:6.

For Intensive (level 3), an LPN must be on staff full-time with monthly documented RN supervision or an RN half-time who must be available for all hours of the program and available to fulfill all duties as noted for nurses in the Basic and Enhanced levels. An LPN or RN will provide more intensive nursing interventions as appropriate and/or prescribed, such as colostomy care, tube feeding, injections, dressing changes, catheter care, blood sugar checks, etc. Full-time, qualified staff must be available to attend to participants’ psychosocial needs with monthly documented supervision by a licensed social worker, certified therapist, or a related

¹⁵ U.S. Department of Health and Human Services. Janet O’Keeffe, Dr.PH, RN Christine O’Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adulday14-IL.pdf>

professional. The staff-to-participant ratio must be a minimum of 1:4.¹⁶

Iowa: All providers in the state are at different rates based on County (or Regional) Contracts as well as the Veteran's Administration payment for adult day services. Iowa's adult day rates would fall in the middle reimbursement category when compared to other states. For example, one IA ADS provider reported their reimbursement is currently \$41.50 for a half day, \$60.63 for a Full Day, and \$74 for an Extended Day.

The Adult day care Fee schedule Effective 7/1/13, for AIDS/HIV, brain injury, elderly, and ill and handicapped waivers:

- Provider's rate in effect 6/30/13 plus 3%, converted to a 15-minute, half-day, full-day, or extended-day rate.
- If no 6/30/13 rate: Veterans Administration contract rate or \$1.45 per 15-minute unit, \$23.24 per half day, \$46.26 per full day, or \$69.37 per extended day if no Veterans Administration contract.
- The Adult day care Fee schedule Effective 7/1/13, for intellectual disability waiver:
- County contract rate or, in the absence of a contract rate, provider's rate in effect 6/30/13 plus 3%, converted to a 15-minute, half-day, full-day, or extended-day rate.
- If no 6/30/13 rate, \$1.94 per 15-minute unit, \$30.96 per half day, \$61.80 per full day, or \$78.80 per extended day.

Adult Day Services are paid by the day. They pay Half Day (1.25 hours to 4.25 hours), Full Days (4.25-8 hours), and Extended Days (8+ Hours). It is not required to include transportation.

In Iowa, sufficient trained staff must be available at all times to fully meet participants' identified needs. A Registered Nurse must be available if medications are administered.¹⁷

Kansas: The state sets the base Medicaid reimbursement rate that the MCOs cannot pay below. The state allows MCOs/Providers to negotiate a higher rate. They just cannot pay below the floor rate. The current rates for Adult Day Care reimbursement is:

Half day (one unit = 1 – 5 hours): \$21.93, per diem

More than 5 hours (one unit = 5 – more hours): \$43.86, per diem

HCBS services do not pay for transportation. Any transportation service will need to be accessed through Non-Emergency Medical Transportation program through the state plan.

In Kansas, each facility must be responsible for ensuring that a licensed nurse is available on-site or by telephone to provide immediate direction to medication aides and nurse aides for participants who have unscheduled needs. The licensed nurse may be employed by the facility or by a home health agency or a hospice. A registered nurse must be available to supervise licensed practical nurses. The administrator or operator of each ADC facility must ensure the provision of a sufficient number of qualified personnel to provide each participant with services and care in accordance with each participant's functional capacity, health care

¹⁶ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adulday14-IN.pdf>

¹⁷ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adulday14-IA.pdf>

service plan, and negotiated service agreement.¹⁸

Kentucky: Adult Day Health Care is under the [Home and Community Based Waivers](#) in Kentucky. Kentucky has [new regulations](#) for Adult Day. There are two levels of Adult Day Health:

Level I reimbursement shall be the lesser of the provider's usual and customary charges or \$2.57 per unit of service.

Level II reimbursement shall be the lesser of the provider's usual and customary charges or \$3.12 per unit of service.

One (1) unit of ADHC basic daily service shall equal fifteen (15) minutes. Be limited to 120 units per calendar week at each HCB recipient's initial review or recertification. (24 units a day limit = 6 hours daily/ 30 hours week)- ** can receive respite at ADHC. Providers decide by their own policy/ procedure if they will provide transportation, it is not a separate billable service under the waiver.

Kentucky Medical Adult Day Facilities can bill for:

Assessments \$100.

Reassessments \$100.

Respite \$2000 per 6 months, not to exceed \$4000 in a CY

In Kentucky, an ADHC program must employ or have access to a sufficient number of qualified personnel as may be required to provide the services mandated by the administrative regulation and indicated by the needs of the program's participants.¹⁹

Louisiana: Adult Day Health Care is paid \$2.40/15 minutes, not to exceed 10 hours/day; 50 hours/week.

In Louisiana, Medicaid requires that the RN or licensed practical nurse (LPN), the social service designee/social worker, the program manager, and the food service supervisor, all be full-time positions.²⁰

Maine: Maine's Medicaid system, MaineCare distinguishes between two levels of Adult Day services: Social, and Health. The rate for both the Social and Health model Adult Day services were increased on November 1, 2014 to \$12.56 /hour across all sections of policy, including state-funded. Within the Medicaid (MaineCare) program, services for Adult Day are paid in quarter hour units. Maine does not currently allow for daily billing.

Section 26 of the the [MaineCare Benefits Manual](#) (10-149 Chapter 101) describes Adult Day Services available under the state plan level of service. In addition, Adult Day services are available under Section 19, our Elderly and Disabled Waiver. Also, Maine has a suite of state-funded only programs where Adult Day services are also available.

¹⁸ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adultday14-KS.pdf>

¹⁹ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adultday14-KY.pdf>

²⁰ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/>

Transportation is organized under a separate Waiver (Section 113), and is available to individuals utilizing either the state plan service (Section 26) or the Waiver (Section 19). Also, limited transportation is available through Adult Day service providers and funded by the state, under the sections of policy applicable to state-funded only programs.

In Maine, Medicaid mandates that ADHS be provided by the following qualified professional staff in accordance with the individual written care plan: registered nurse, practical nurse, social worker, physical therapist, occupational therapist (registered), and speech-language pathologist. These staff may be employees or consultants. Other qualified staff may include certified nursing assistants and other service aides and assistants who provide services appropriate to their level of training under the supervision of a licensed professional, who may be a consultant. ADS programs must maintain a minimum staff-to-participant ratio of 1:6 at all times when participants are present. Programs with 3-6 participants must maintain a second staff person to be on call and available for emergencies at all times that participants are present. DHHS may require additional staff based on participants' needs.²¹

Maryland: The Medicaid reimbursement rate is \$74.50/day for Medical Day Care with a 4 hour minimum. Reimbursement is all inclusive regardless of transportation. There is also a Senior Center Plus program that provides no medical services.

In Maryland, at a minimum, the medical day care center must have a full-time registered nurse, an activities coordinator (full-time or part-time), a medical social worker (full-time or part-time), and a staff physician (full-time, part-time, or contractual). Additional nursing staff may be required based on the number of participants and their level of impairment. The staff-to-participant ratio at each center must be a minimum of 1:7.²²

Massachusetts: MassHealth has 2 levels of care for Medicaid reimbursement for Adult Day Services: Basic is reimbursed at \$58.83 and Complex is \$74.50. Eligibility for Complex is very similar to nursing home eligibility. The State is in the process of issuing new Medicaid regulations which could change eligibility criteria. MassHealth will pay for a 6 hour day. The State has a 15 minute billing policy where providers are to bill in 15 increments instead of for a full day and subtract by 15 minutes for any time participants are not in the building. However, they will not pay in 15 min. increments for anytime they are in attendance that exceeds 6 hours. MassHealth does pay for transportation. They assign a specific rate for each center.

For Supportive Day Programs, the staff-to-participant ratio must be at least 1:8. For Adult Day Health, at least one RN must be on site at least 6 hours per day for programs with a licensed capacity of 35 or fewer participants; and at least 8 hours per day for programs with a capacity of 36 or more participants. Programs must increase licensed nursing staff by 4 hours for each additional 1-12 participants attending the program. If the program's average daily census is 24 or more participants, the program must provide a social worker for at least 20 hours per week. The program must provide a therapeutic activity director on site for at least 4 hours per day. The program must provide at least one direct care staff person per six participants attending the program; one qualified program aide per 12 participants; and at least one licensed nurse per 24 participants. A program aide who performs maintenance, food preparation, or extensive housekeeping tasks during program hours of operation may not be considered a program aide for purposes of meeting minimum staffing

²¹ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adulday14-ME.pdf>

²² U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adulday14-MD.pdf>

requirements. A volunteer may not be counted as a licensed nurse, program aide, social worker, or activity director for the purpose of satisfying the minimum staffing requirements. In addition to the licensing rules described above, MassHealth contractors must meet the following requirements. Programs must maintain proportionate direct care staff-to-participant ratios to meet participants' needs based on the number of participants requiring each level of care service. For the health promotion and prevention level of care, the ADH provider must maintain a minimum staff-to-participant ratio of 1:8; for basic level of care services, a minimum staffing ratio of 1:6; and for complex level of care services 1:4. For programs specializing in serving participants with dementia, the program must maintain a staff-to-participant ratio of at least 1:4.²³

Michigan: Medicaid reimbursement for Adult Day Services is through the [Michigan MiChoice Waiver](#). The reimbursement is a function of the contract between the provider and the entity administering the waiver. The rates and units would be determined through the provisions of those contracts. There is no "standard" set rate for ADCs in Michigan. The state of Michigan is divided into various multi-county regions, and each region has organizations that administer the Medicaid Waiver program. Individual contracted rates vary per region and are determined individually between the waiver organization and the adult day centers. One Michigan Adult Day provider reported that local Waiver agents reimbursed their adult day program by units at a rate of \$2.00 per unit where a unit is 15 minutes. Another adult day program negotiated a rate of \$12.44/hr. The rates and units would be determined through the provisions of those contracts with the MCO.

Dementia ADC programs must work toward developing the following as necessary: (1) an RN (or licensed practical nurse under RN supervision) to provide physical health and support services a minimum of 4 hours per month; (2) a social worker or certified counselor for a minimum of 4 hours per month to provide counseling and assist participants to obtain other services as needed; (3) arrangements to obtain cognitive and psychiatric specialists to evaluate difficult behaviors and to develop alternative interventions for caregivers to try; and (4) arrangements to obtain physical, speech, and occupational therapies. Dementia ADC programs must have a minimum staff/volunteer/student-to-participant ratio of 1:3.²⁴

Minnesota: [Adult day services](#) in Minnesota are [billed](#) in 15 minute increments. Adult day care services cannot exceed 12 hours in one 24-hour period. Payment for providing a bath is limited to two, 15-minute units of service per day. As of July 1st, 2015 the daily rate was removed. The 15 minute rate is \$3.37 as of 7/1/15. A bath can be billed at \$7.55 for 15 minutes. Managed Care organizations can negotiate the rate with the provider. Transportation is a separate service.

The state pays for ADS provided to individuals aged 65 or older through the Medicaid 1915(c) Elderly Waiver program, and for individuals aged 0-64 through several other 1915(c) waivers. ADS are also available to dually-eligible Medicaid/ Medicare enrollees through the Minnesota Senior Care Project, under a Medicaid 1915(b) Home and Community-Based Services waiver.

All waiver program participants aged 65 or older must receive services through one of two managed care organizations: Minnesota Senior Care Plus or Minnesota Senior Health Options. ADS centers must offer health services developed in consultation with a registered nurse, who must review the health services at least monthly. The center must maintain a staff-to-participant ratio of one staff member present for every five

²³ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adulday14-MA.pdf>

²⁴ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adulday14-MI.pdf>

participants present who are not capable of self-preservation and one staff member present for every eight participants present who are capable of self-preservation.²⁵

Mississippi: The Medicaid reimbursement rate for adult day services is \$57.13 per day. The participant must receive a minimum of four (4) hours of service per day for Medicaid reimbursement. Transportation is included in the reimbursement rate.

Medicaid covers ADC services under a 1915(c) Elderly and Disabled (E&D) waiver program. The staff-to-participant ratio must be between 1:6 and 1:10, except in programs serving a high percentage of severely impaired participants, in which case the ratio should be 1:4, or 1:5 in programs serving more than 20 participants. Volunteers can be included in this ratio only if they conform to the same standards as paid staff.²⁶

Missouri: Missouri pays for adult day care services through two waivers; the Adult Day Care waiver and the Aged and Disabled waiver. The allowable rate for the adult day care service is \$2.26 per 15 minutes.

At a minimum, there must be at least two direct care staff persons when 2-16 participants are present and one additional direct care staff person for any eight, or part thereof, additional participants.²⁷

Montana: Appendix C-2 of the Home and Community Based Waiver indicates that there is no limit to hours for Adult Day Services. The Waiver policy manual states that transportation can be included in Adult Day Health costs. Adult Day Care (\$5100) is billed in 15 minute increments of \$2.16/15 minute unit.

In Montana, if a participant is required to take medication while at an ADC center, the participant must be capable of taking his or her own medications. The center must at all times employ sufficient staff to provide the services required by the number and characteristics of its participants.²⁸

Nebraska: For Adult Day Health Services paid through the Aged and Disabled Waiver Program, Nebraska pays a rate of \$70.00 per day. The minimum number of hours in a day is 4. Reimbursement for Adult Day Health does not include transportation as that is a separate Waiver service that can be authorized if needed.

In Nebraska, the provider must have a *licensed nurse* on staff, or contract with a licensed nurse, who will provide the health assessment/nursing services component of the ADHC program and supervise ADLs/personal care and ADL training. Counseling may be provided only by a certified *social worker*, a certified *master social worker*, or a certified *professional counselor*. Each ADHC center must be staffed at all times by at least one full-time trained staff person.²⁹

²⁵ U.S. Department of Health and Human Services. Janet O’Keeffe, Dr.PH, RN Christine O’Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adultday14-MN.pdf>

²⁶ U.S. Department of Health and Human Services. Janet O’Keeffe, Dr.PH, RN Christine O’Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adultday14-MS.pdf>

²⁷ U.S. Department of Health and Human Services. Janet O’Keeffe, Dr.PH, RN Christine O’Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adultday14-MO.pdf>

²⁸ U.S. Department of Health and Human Services. Janet O’Keeffe, Dr.PH, RN Christine O’Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adultday14-MT.pdf>

²⁹ U.S. Department of Health and Human Services. Janet O’Keeffe, Dr.PH, RN Christine O’Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adultday14-NE.pdf>

Nevada: The Medicaid reimbursement for Adult Day Care under a 1915 (c) waiver for the aged, 65+ is \$40 per day. The Medicaid reimbursement for Adult Day Health care under the State Plan benefit is \$54.48 per day. Adult day programs are paid a daily rate. A full day is 6 hours or more. Adult Day providers do have an option of reimbursement by 15 minute units if the recipient will be there less than 4 hours per day. The reimbursement does not include transportation, but some providers provide transportation as contractors with the state's transportation vendor, Logisticare. This is reimbursed separately.

In Nevada, a RN, or an LPN under the supervision of an RN, will administer participants' medications while they are in the facility's care.³⁰

New Hampshire: The rate is \$49.24 per day for Adult Medical Day Services.

In New Hampshire, Adult medical day programs reimbursed by Medicaid must have at least one full-time *registered nurse* or a *licensed practical nurse*, or both, available at the program's location whenever one or more participants are present. Minimum staffing ratios, which may be met by both nursing and activities personnel, are as follows: When fewer than eight participants are in attendance, at least one paid personnel member must be present at all times; when there are 8-16 participants in attendance, there must be at least two personnel present at all times, one of which must be a paid personnel member; when there are more than 16 participants in attendance, there must be a minimum of one personnel member for each additional eight participants or part thereof. Notwithstanding these minimum requirements, staffing ratios must be sufficient to meet the needs of all participants at all times.³¹

New Jersey: Medical Day Care is a State Plan service in New Jersey. Since 2011 Medical Day care has been rolled into Managed Care. They have a very small amount of funds in the fee for service (FFS) side of medical day. The FFS reimbursement happens if an individual gets on Medicaid in the middle of a month and therefore cannot get into a MCO until the beginning of the next month. For those few weeks at most the facility is paid FFS.

The Medical Day Care provider is reimbursed by the day. In FFS, the day rate is \$78.50 a day. In the managed care environment we understand that facilities can be paid between \$73 and \$78.50 a day. The Medicaid Department does not get involved in contract negotiations between the facility and the MCO. There is a requirement in the Department of Health's licensing regulations which says that services must be provided for 6 hours a day. A meal is included in those services. The rate includes transportation costs.

In New Jersey, New Jersey covers ADHS, called medical day care services, under the Medicaid State Plan and under an 1115 waiver program called managed long-term services and supports (MLTSS). At a minimum, the facility must have an *administrator/director*, a *registered professional nurse*, a *social worker*, and an *activities director*. The facility must designate a *pharmaceutical consultant*, who is not the pharmacy provider and does not have an affiliation with the pharmacy provider, and a physician to serve as the facility's *medical consultant*. If the food service supervisor is not a dietitian, the administrator must designate a *consultant dietitian* who will review the dietary services on a regularly scheduled basis, make recommendations, assess the nutritional needs of participants, and provide nutritional counseling. ADHS facilities must provide at least one full-time, or full-time equivalent direct care staff member for every nine participants. Additional staff must be provided as

³⁰ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adulday14-NV.pdf>

³¹ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adulday14-NH.pdf>

needed based on the daily census and participants' acuity. The Alzheimer's Program requires a minimum staff-participant ratio of 1:5 in programming for participants with dementia.³²

New Mexico: The state of New Mexico does not set rates in Centennial Care. Reimbursement for adult day health services is based on the negotiated rate with the MCO. There are four (4) MCOs that are under contract with HSD. The services are generally provided for two (2) or more hours per day on a regularly scheduled basis, for one (1) or more days per week, by a licensed adult daycare. Billing is on an hourly basis and is accrued to the nearest quarter of an hour. A minimum of two (2) hours per day for one (1) or more days per week is required. Coordination of transportation to and from the Adult Day Health center is part of the scope of service.

One provider reported a Medicaid waiver rate of \$8.16 /hour is the rate paid by the MCOs. The adult day centers usually serve the participant for 6 hours.

In New Mexico, Adult day health care (ADHC) is provided under the Community Benefit section of the New Mexico Centennial Care Program, an 1115 Research and Demonstration waiver program that replaced the state's Medicaid program on January 1, 2014. One full-time equivalent staff position with responsibility for direct participant care is required for each five participants.³³

New York: New York has an Adult Day Services program and Adult Day Health programs covered under Medicaid. According to the [NYS DOH/ LTC Reimbursement chart](#), ADHC rates range from \$47.24 to \$189.82. The rates were determined based on actual costs taken from the cost report. Transportation is separate from the service rate. Medicaid Managed care plans were reimbursing Adult Day Health based on the Medicaid FFS rate. In a few cases, ADHC programs had negotiated a higher rate. As of July 2015, one Managed Care plan was paying lower than the Medicaid FFS rate, and was county or region specific.

The social adult day programs are paid through Medicaid Managed Long Term Care contracts. Each contract is negotiated and the rate is based on these negotiations. There is no one method. Some programs negotiate an hourly rate (rare); some charge basic day (defined by them as a specific number of hours); some charge extended day (defined by a specific number of hours); some charge dementia specific program rate when that applies.

New York's Adult Day Health Care model is highly regulated and has high operational expenses because of state requirements for professional staff and the need to comply with health care facility environmental standards. Each program must have a full-time *registered nurse* (RN), a *social worker*, a *certified nursing assistant* (CNA), a *physical therapist*, an *occupational therapist*, a *dietitian*, a *pharmacist consultant*, and a *medical director*. The ADHC program is also required to employ or contract with *speech therapists*.³⁴

North Carolina: The daily reimbursement rate for CAP-DA to adult day services is \$38.53 per day. CAP covers up to 5 days per week at an adult day program that is licensed as HEALTH rather than SOCIAL. They pay a flat rate per day (not by the hour). The minimum number of hours per day that the participant must be at the adult day program is 6 hours.

³² U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adulday14-NJ.pdf>

³³ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adulday14-NM.pdf>

³⁴ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adulday14-NY.pdf>

In North Carolina, Adult Day Health centers must have a *health care coordinator* to organize the delivery of health care services and participate in direct care. The health care coordinator must be either a registered nurse (RN) or a licensed practical nurse (LPN), currently licensed to practice in North Carolina. If the health care coordinator is an LPN, an RN must provide supervision consistent with the Nursing Practice Act, and on-site supervision by the RN must occur no less frequently than every 2 weeks. Adult day health centers must have a staff participant ratio of One full-time equivalent staff person with responsibility for direct participant care for each five participants.³⁵

North Dakota: The [Medicaid reimbursement for Adult Day Services](#) in North Dakota depends on the rate assigned to the provider. Rates range from \$22.40 to \$42.78. This is a half day service. Adult Day care programs operate a minimum of three hours per day up to a maximum of ten hours per day. Individuals who participate in Adult Day Care attend on a planned basis during specified hours. Non medical transportation may be included as a part of this service and may already be included in the rate.

In North Dakota, One employee is required for every eight participants. Unlicensed staff can provide assistance with medication when trained and supervised by a licensed staff member.³⁶

Ohio: Adult Day Services in Ohio is available through the two home and community-based waivers which service individuals with a nursing facility intermediate level of care. OAC 5160-46-06 Ohio home care waiver program: reimbursement rates and billing procedures administered by Ohio Medicaid. Only One level of service is available.

Adult Day Health \$32.48 for ½ day

Adult Day Health \$64.94 for a full day

[Adult day health center services \(ADHCS\)](#) are reimbursable at a full-day rate when five or more hours are provided to an individual in a day. ADHCS are reimbursable at a half-day rate when less than five hours are provided in a day.

Adult Day Services under OHIO PASSPORT is administered by the Department of Aging. OAC 5160-1-06.1 Home and community-based service waivers: PASSPORT. [Two levels of service are available:](#) Enhanced and Intensive.

Enhanced Adult Day Service	\$49.39 for 1 Day
Enhanced Adult Day Service	\$24.70 for ½Day
Enhanced Adult Day Service	\$1.55 per 15 Minutes
Intensive Adult Day Service	\$64.84 for 1 Day
Intensive Adult Day Service	\$32.41 for ½ Day
Intensive Adult Day Service	\$2.03 for 15 Minutes
Adult Day Service Transportation	\$16.55 1 One-Way Trip

³⁵ U.S. Department of Health and Human Services. Janet O’Keeffe, Dr.PH, RN Christine O’Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adulday14-NC.pdf>

³⁶ U.S. Department of Health and Human Services. Janet O’Keeffe, Dr.PH, RN Christine O’Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adulday14-ND.pdf>

Adult Day Service Transportation \$20.40 1 Round Trip

½ day under this waiver is less than 4 hours. A Full day is 4 to 8 hours. Over eight hours are reimbursed at additional 15 minute unit rate up to twelve hours.

In Ohio, A *registered nurse* (RN) or *licensed practical nurse* (LPN) under the supervision of an RN must be on site at the ADS center to provide those nursing services that require the skills of an RN or an LPN under the supervision of an RN. An *activity director* must supervise participants' activities. The staff-to-participant ratio must be at least 1:6.³⁷

Oklahoma: The Medicaid reimbursement rate for Adult Day Health Care is paid per unit (15 minutes/unit) at the rate of \$1.88 per unit. The maximum number of units authorized per day may be up to 32 units, or 8 hours. The reimbursement rate does not include transportation.

In Oklahoma, the state reimburses adult day health care (ADHC)--through the Medicaid 1915(c) ADvantage waiver program. Service enhancements to ADHC include personal care (assistance with bathing and associated hair and nail care authorized to maintain health and safety) and skilled therapies (physical, occupational, speech and respiratory), which are furnished as component parts of ADHC when indicated in an individual's service plan, but are billed as additional units of service. Each ADS center must have the following staff: a *licensed director* with the authority and responsibility for managing and implementing the day care program, an *activity director*, a *social services coordinator* or *case manager*, and a *dietary supervisor*. A minimum of one full-time equivalent direct care staff person is required for every eight participants who are present and one additional direct care staff person for eight additional participants or part thereof.³⁸

Oregon: In Oregon, there is no set rate for Adult Day Service providers with a Medicaid contract. Providers are reimbursed from as low as \$42.85 per day to \$74.45 per day. The State applies a COLA rate each year to each qualified contract, and the rate varies and is determined by the state. For one provider, the last COLA was 3.5%. Transportation is not included in the Adult Day contract but Medicaid does pay for medical transportation to centers. The daily rate is for a full day, which is defined as 5 hours and more.

In Oregon, Licensed nurses are required to oversee medication administration but administering medications can be a delegated task performed by trained staff. The staff-to-participant ratio must be a minimum of one staff person to six participants. As the number and/or impairment level of participants increase, the staff-to-participant ratio must be adjusted accordingly. ADS programs with over 50 percent of participants requiring full assistance with three or more activities of daily living (ADLs) must have a staff-to-participant ratio of 1:4.³⁹

Pennsylvania: Pennsylvania pays adult day services by location and the model of services provided. Adult Day Living and Adult Day Living Services Enhanced rates are based on the region of the State. There are four rate regions. Full day rates for Adult Day Living range from \$50.86 in region 3 to \$59.80 in region 4. Philadelphia is in region 4. The Adult Daily Living Enhanced range from \$68.42 in region 3 to \$75.01 in regions 1 and 4. There is

³⁷ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adultday14-OH.pdf>

³⁸ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adultday14-OK.pdf>

³⁹ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. *Regulatory Review of Adult Day Services: Final Report* Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adultday14-OR.pdf>

also a half day rate that range from \$29.20 to \$30.43. Waiver clients get free transportation paid by the Aging waiver, however; centers are not able to get reimbursed by Waiver. The money is paid to the PA Shared Ride providers only.

In Pennsylvania, the center must obtain the services of either a *registered nurse* or a currently *licensed practical nurse*. The nurse may be a full-time or part-time staff member or a consultant, or may serve through some other arrangement that meets participants' needs. The program staff-to-participant ratio must be a minimum of 1:7 at all times.⁴⁰

Rhode Island: The Medicaid reimbursement in RI is by the day at \$52.98. The rate has not increased since 2008. There is no minimum number of hours per day specified. Transportation is not included in the reimbursement rate. It is a separate billable service for providers who have a contract with Logisticare, the transportation broker under contract with the State of RI.

In Rhode Island, the program must employ a *nurse* who will be on site daily for a minimum of 6 scheduled hours. Each program must employ at least one *certified nursing assistant* licensed by the State of Rhode Island. The program must identify a staff person responsible for the functions of the *activities director* who will be on site daily for a minimum of 4 scheduled hours. If the program's daily enrollment is 24 or more participants, the program must have access to *case management services* on site or available for a minimum of 20 hours each week. The ADC program that has an Alzheimer's dementia or other dementia special care services program must have no less than one registered nurse (RN) on staff and available for consultation at all times to manage and supervise all participant dementia-related health and behavioral issues. Each program must employ sufficient staff to maintain a ratio of one full-time staff member involved in direct service provision for each nine participants; however, a ratio of 1:6 is recommended. Secretaries, cooks, accountants, and other non-direct care staff members must not be considered in calculating the 1:9 ratio.⁴¹

South Carolina: The Medicaid reimbursement for Adult Day Services is \$48.13 per day. There is a 5 hour minimum, and the reimbursement does not include transportation. South Carolina currently has a dual transportation system. If the participant lives more than 15 miles from the center, Medicaid transportation covers the cost. If the person lives within 15 miles, the adult day care center must provide or arrange for transportation and is reimbursed slightly over \$14 per day for a round trip. This is changing sometime in the future so that Medicaid transportation would be responsible for transportation of all participants.

In South Carolina, Medicaid requires a registered nurse (RN) to supervise medication administration. The minimum staff-to-participant ratio is one direct care staff member to eight participants. In addition to the minimum staffing required by licensing, for 1-44 participants, one RN must be present as follows: 1-10, present for 2 hours minimum; 11-20, present for 3 hours minimum; 21-25, present for 4 hours minimum; 26-35, present for 5 hours minimum; and 36-44, present for 6 hours minimum. For 45-88 participants, one RN and one additional RN or licensed practical nurse (LPN) must be present for a minimum of 5 hours.⁴²

⁴⁰ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. Regulatory Review of Adult Day Services: Final Report Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adultday14-PA.pdf>

⁴¹ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. Regulatory Review of Adult Day Services: Final Report Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adultday14-RI.pdf>

⁴² U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. Regulatory Review of Adult Day Services: Final Report Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adultday14-SC.pdf>

South Dakota: South Dakota's current rate is \$5.36 per hour. Adult day centers are reimbursed on a per hour basis. The rate does not include transportation.

In South Dakota, The minimum staffing ratio is one staff person to six participants and 1:5 if a high percentage of the participants are severely impaired.⁴³

Tennessee: Adult day care is reimbursed at a rate of \$2.48 per unit. The rate is a unit rate and each unit is 15 minutes. As the definition states, to qualify for reimbursement, adult day must last more than 3 hours but less than 25 hours. In CHOICES, transportation is included in the adult day care rate. The adult day care cannot bill for transportation separately. Adult day in CHOICES is defined as, "community-based group programs of care lasting more than three (3) hours per day but less than twenty-four (24) hours per day provided pursuant to an individualized plan of care by a licensed provider not related to the participating adult.

Tennessee does not cover ADC services under Medicaid 1915(c) waiver programs or under its State Plan. It is one of the few states that operates an 1115 Medicaid waiver program--TennCare CHOICES--which pays for ADC services. At least one direct care staff person must be available for every eight participants.⁴⁴

Texas: The Texas Day Activity and Health Services (DAHS) (program-specific [Reimbursement Methodology](#) is located at Title 1 of the Texas Administrative Code, Part 15, Chapter 355, Subchapter G, Rule §355.6907. [This rule section](#) explains in detail how the DAHS payment rate is calculated. There are 35 participant levels, and each level has a different payment per unit. One unit is 3 to 5 hours, and two units are 6 or more hours. The total payments which include attendant cost area, other direct costs area, facility cost area and Administration/transportation cost is from \$14.24 to \$15.99 per unit. So a 6 plus hour day would range from \$28.48 to 31.98 per day. Adult Day Health Care is paid through Managed Care.

Day Adult Health Services providers can opt to participate in the Attendant Compensation Rate Enhancement if they desire and receive add-on payments (enhanced funds) to incentivize them to increase compensation to attendants. Non-participants receive the non-participant rate. Participants choose a level from 1 to 35 and once awarded a level of participation they receive the payment rate for that level. Managed Care Organizations may negotiate a rate. The 35 levels have to do with the Attendant Compensation Rate Enhancement as explained above. The levels and payments are not based on a patient's acuity level.

In Texas, Medicaid covers DAHS under Star+Plus--an 1115 managed care waiver program--and under a 1915(c) waiver program. DADS provides DAHS as a Medicaid State Plan service. On September 1, 2014, most of the individuals receiving Medicaid-funded DAHS from DADS began receiving this service from the Health and Human Service Commission's 1115 managed care waiver program--Star+Plus. DADS continues serve some Medicaid recipients under the State Plan who are not mandatory enrollees in managed care, such as persons with intellectual and other development disabilities, and individuals who for various reasons do not consistently remain eligible for Medicaid. ADC providers with DADS contracts who furnish DAHS through Medicaid programs are required to provide physical rehabilitative services, which include restorative nursing and group and individual exercises, including range of motion exercises. The facility must receive consultation at least 4 hours each month from a *dietitian consultant*, whether or not the facility has meals delivered from another facility with its own dietitian consultant. A consultant may provide consultation to several facilities as

⁴³ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. Regulatory Review of Adult Day Services: Final Report Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adultday14-SD.pdf>

⁴⁴ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. Regulatory Review of Adult Day Services: Final Report Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adultday14-TN.pdf>

long as each facility receives at least 4 hours a month. The 4 hours cannot be “shared” by several facilities. The facility must ensure that the ratio of direct services staff to participants is at least 1:8 during the provision of all covered services except during facility-provided transportation. At a minimum, one RN or LVN must be working on-site, 8 hours per day.⁴⁵

Utah: The state covers adult day health under the Medicaid waiver, and reimburses adult day centers at \$39.18/day. Transportation is billed separately at \$14.94 for a one way trip.

Utah offers ADC, called adult day health care (ADHC), through licensed providers under the following Medicaid 1915(c) waiver programs: Waiver for Individuals Aged 65 or Older, sometimes called the Aging waiver, and the New Choices waiver. When eight or fewer participants are present, one staff person must provide direct supervision at all times with a second staff person meeting minimum staff requirements immediately available. When 9-16 participants are present, two staff must provide direct supervision at all times. The ratio of 1:8 will continue progressively. For programs with nine or more participants, administrative and maintenance staff must not be included in the staff-to-participant ratio. In all programs where one-half or more of the participants are diagnosed by a physician’s assessment with Alzheimer’s disease or other dementia, the ratio must be 1:6.⁴⁶

Vermont: Medicaid reimbursement for Adult Day Services in Vermont is \$15.40 per hour. Vermont Choices for Care 1115 Long-Term Care waiver requires programs pay 20% of the cost for transportation.

Medicaid pays for ADS through the Vermont Choices for Care 1115 Long-Term Care waiver program and through the Medicaid State Plan. An adult day center must provide medication management under the supervision of a registered nurse (RN) or a licensed practical nurse (LPN) under the direction of an RN. The required direct services staff-to-participant ratio is a minimum of 1:7. As the number of participants with functional or cognitive impairments increases or the severity of the impairment increases, the direct services staff-to-participant ratio must be adjusted accordingly to meet participants’ needs.⁴⁷

Virginia: [Adult Day Health Care reimbursement](#) under the waiver is determined by the location of the Adult Day Health Care Center. In Northern Virginia reimbursement is at \$60.10/day and the Rest of the State the ADHC Centers are paid \$55.65 per day. The authorization of one day of ADHC is considered equivalent to six hours. For example, if an individual is authorized for 23 days for the month, the ADHC equates this as 138 authorized hours per month. There is an allowance for transportation reimbursement. Every DMAS-approved ADHC Center must provide transportation when needed in emergency situations for any Medicaid individual to and from his or her home (e.g., the primary caregiver has an accident and cannot transport the individual home). Any ADHC Center which is able to provide individuals with transportation routinely to and from the center can be reimbursed by DMAS based on a per-trip (to and from the individual’s residence).

In Virginia, Medicaid ADHC centers must employ or contract with a registered nurse (RN) who is responsible for administering prescribed medications, supervising participants who self-administer medication, or generally supervising staff who are certified through the Board of Nursing in medication management and administering

⁴⁵ U.S. Department of Health and Human Services. Janet O’Keeffe, Dr.PH, RN Christine O’Keeffe, BA Madhu Shrethra, BS, RTI International. Regulatory Review of Adult Day Services: Final Report Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adultday14-TX.pdf>

⁴⁶ U.S. Department of Health and Human Services. Janet O’Keeffe, Dr.PH, RN Christine O’Keeffe, BA Madhu Shrethra, BS, RTI International. Regulatory Review of Adult Day Services: Final Report Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adultday14-UT.pdf>

⁴⁷ U.S. Department of Health and Human Services. Janet O’Keeffe, Dr.PH, RN Christine O’Keeffe, BA Madhu Shrethra, BS, RTI International. Regulatory Review of Adult Day Services: Final Report Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adultday14-VT.pdf>

medications. The center must provide at least two staff members on duty at all times when there are Medicaid waiver participants in attendance, and maintain a minimum staff-to-participant ratio of at least one staff member to every six participants.⁴⁸

Washington: The rates in Washington are different depending upon County. They cover a 4-hour day and they have to provide transportation within this rate. Medicaid reimbursement for Adult Day Health Care range from \$67.09 to \$72.44, and Medicaid reimbursement for Adult Day Care range from \$39.25 to \$44.14.

Washington covers both types of ADS through two Medicaid waiver programs--the 1915(c) Community Options Program Entry System (COPES) and the 1115 Roads to Community Living program. Providers must offer at least one of the three skilled rehabilitation therapies. Minimum staffing requirements include an *administrator*, a *program director*, a *registered nurse*, an *activity coordinator*, a *physical therapist*, *occupational therapist*, or *speech therapist*, and a *social worker*. The staff to participant ratio must be a minimum of 1:6.⁴⁹

West Virginia: West Virginia Medicaid does not cover medical ADC directly. However, through the self-directed Personal Options portion of the Medicaid 1915(c) Aged and Disabled Waiver program, participants have the flexibility to choose certain services they require --including services not otherwise covered--and can choose to pay for medical ADC out of savings from their allocated budget.

In West Virginia, the center must employ or contract with a registered nurse (RN) who must be in the center a minimum of 8 hours per week to provide oversight of nursing services and participant care. If licensed practical nurses are employed, they must work under the supervision of the center's RN. Other required staff include a qualified activity director to be responsible for planning and implementing an activity program to meet the needs of all participants. If the center prepares meals on site, the director must designate a staff member to serve as food service supervisor. A minimum staffing level of one full-time staff member involved in direct services provision for each six participants must be maintained.⁵⁰

Wisconsin: For the Family Care and Family Care Partnership programs, the Wisconsin Department of Health Services does not establish a reimbursement rate for adult day services. The managed care organizations that manage and deliver the benefit package determine how they want to reimburse providers for adult day care services, so the reimbursement rate will vary based on the MCO arrangements. Typically the contract will include a rate for each "unit of service" - a basic day center rate, a bathing rate, and a "special need" - which usually is a nursing component such as glucose monitoring, catheter change, etc. The MCO may contract for multiple rates based upon level of care. For example, one provider has a contract with an MCO that contains two rates, a core level, and an intensive level. Another day center has only been receiving one rate of pay for years. One provider estimates the range in rates as \$49 - 80 per day. The difference in rates relates to the social vs. medical model, level of care and location of the Center. Transportation is a separate contract established by the MCO.

Hours are the unit used by MCOs for submitting claims. Any minimum hour requirement would be between

⁴⁸ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. Regulatory Review of Adult Day Services: Final Report Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adultday14-VA.pdf>

⁴⁹ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. Regulatory Review of Adult Day Services: Final Report Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adultday14-WA.pdf>

⁵⁰ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. Regulatory Review of Adult Day Services: Final Report Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adultday14-WV.pdf>

the MCO and the provider. Transportation between the member's place of residence and the adult day care center may be provided as a component of adult day care services. Based on CY2013 encounter data submitted by the Family Care and Family Care Partnership MCOs, in CY2015 there are projected to be 2018 individuals who use adult day care services, the average number of hours per user is projected at 662.67, and the cost of providing adult day services is predicted to be \$12,998,245.54. This information and data is specific to utilization of adult day services by members of Family Care and Family Care Partnership.

In Wisconsin, Medicaid covers ADC and family ADC under several 1915(c) waiver programs and under Family Care, a 1915(b)/(c) managed long-term care program. There must be a minimum of one staff person for each eight non-severely impaired participants and a minimum of one staff person for each four severely impaired participants at the ADC site.⁵¹

Wyoming: Wyoming's 1915(c) Home and Community Based Long Term Care Waiver includes Adult Day Care as a service. The State pays the Adult day provider under the waiver \$8.40 per hour, \$2.10 per 15 minute units. The Qualifications are: An Adult Day Care Facility must be fully licensed by the Office of Healthcare Licensing and Surveys under the Wyoming Department of Health. Transportation to or from or during the participant's stay at the facility is not included in the service reimbursement, but may be reimbursed under the Non-medical Transportation waiver service, if the service is included in the participant's Plan of Care. Services are furnished for four (4) or more hours per day, on a regular schedule, for one (1) or more days per week (as specified in the Plan of Care) but for less than twenty four (24) hours each day.

In Wyoming, Medicaid covers ADC under its 1915(c) Long-Term Care waiver program for the Elderly and Physically Disabled. Medicaid defines adult day care as services encompassing both health and social needs to ensure the optimal functioning of the individual, which are furnished for 4 or more hours per day, on a regular schedule, for 1 or more days per week (as specified in an individual care plan) but for less than 24 hours each day. There must be a minimum of one staff person on duty providing direct care and supervision for every six participants. The number of additional staff persons required depends upon the program and services the facility provides and the functional level of the participants.⁵²

⁵¹ U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. Regulatory Review of Adult Day Services: Final Report Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adulday14-WI.pdf>

⁵² U.S. Department of Health and Human Services. Janet O'Keeffe, Dr.PH, RN Christine O'Keeffe, BA Madhu Shrethra, BS, RTI International. Regulatory Review of Adult Day Services: Final Report Dec. 2014. Online at <http://aspe.hhs.gov/daltcp/reports/2014/adulday14-WY.pdf>

Conclusion

Over the past 4 years, we have seen a number of trends in the field of adult day services that are both challenges and opportunities for both providers and the older adult and persons with disabilities that they serve.

There are 12 states using acuity and/or scope of services as a determinant for the Medicaid waiver rate. This number is an increase compared to 4 years ago, and it is a positive step to advance Adult Day Services to be successful in the new health care system that continues to evolve due to healthcare reform. The higher reimbursement for Adult Day participants who require the most assistance and services is a positive trend for the field. The acuity level of care/ varied scope of services reimbursement method is a catalyst for the following:

1. The provider has the flexibility to provide services to older adults and persons with disabilities as they age in place. This flexibility in caring for individuals who require different levels of care allows the provider to serve the individuals in their community. It allows the Adult Day Center to maintain their census, and be financially stable.
2. The higher reimbursement in a level 2 or 3 or intensive level could be an incentive for providers to serve older adults and persons with disabilities that are higher risk for nursing home placement and hospital admissions. Since adult day services are more cost effective than other long term services and supports, the development of an adult day program that reduces the risk of the participant needing more expensive care could benefit states and Managed Care Organizations that are trying to reduce costs and improve quality.

There are some states that have an add-on payment when an additional service is provided, such as bathing and medication administration. Some states allow physical and occupational therapy to be provided in the adult day center, and the services are billed separately under the PT/OT license. Some states these rehab services are included in the rate.

Adult Day providers negotiate their rates in 15 states, 11 of those states have Managed care organizations that negotiate rates with the provider. In most of the states with managed care, it appears that the managed care organizations are just paying the Medicaid rate determined by the state. Kansas does not allow the MCOs to negotiate lower than the base rate. The MCOs in Wisconsin negotiate based on level of care.

Minnesota in 2015 initiated a value based purchasing program for home and community based services that provide an incentive payment based on quality measures. Tennessee through their managed care program will be implementing a value based purchasing program that will include adult day services in 2016. We are seeing the growth of value based purchasing on the Medicare side with hospitals, nursing facilities and home health. More states are looking at this model in order to improve outcomes and reduce costs under Medicaid. This move is a positive sign for the adult day services field because it allows the adult day provider to track and report process and outcome data that is also being collected and reported by other LTSS providers. In this competitive market, older adults have more options for long-term services and supports. Tracking and reporting data, as well as using this data to improve the services you provide will precipitate additional referrals from managed care organizations and other sources of referrals, especially hospitals and physician groups that are participating in alternative payment models such as Accountable Care Organizations, Bundled Payments and Medical Homes.

In this report, we have categorized states with fixed Medicaid payment rates into three groups based on reimbursement by the hour (see Appendix A). It is important not to assume that all the adult day programs

in the lower reimbursement group are at risk of closing due to their low reimbursement, and all the programs in the high reimbursement group are financially stable. The other factors that impact financial stability for an adult day center are:

1. Staffing requirements, for example staff to participant ratio, requirement to have a fulltime RN, reimbursement for transportation (see Appendix B) and contracted professional staff.
2. State regulations that are labor intensive
3. Medicaid eligibility for adult day services under the waiver or Medicaid state plan. A waiver could be capped which prevents additional growth in census. There could also be a certificate of need process or moratorium that are barriers to growth in volume.
4. Low census due to highly competitive service area. When there are multiple options that provide LTSS, such as P.A.C.E. , in home care, and multipurpose senior centers
5. The Adult Day Center is located in metropolitan statistical areas and micropolitan areas that have high wages that are not reflected in the Medicaid rate being paid. There are no states that directly use costs (wage index) in their payment methodology for adult day services. Adult Day Health in NY utilized cost reports to determine reimbursement before the state went to managed care. There are four states that use location as a determinant for payment rates, and it appears that the states attempted to align areas with higher wages to a higher reimbursement rate. Also, some states use regional Medicaid waiver agents or managed care organizations that serve specific areas of the state to negotiate rates that could incorporate a higher reimbursement for high wage areas of the state.
6. Add on payments for bathing, medication administration, assessments, reassessments, respite and other services
7. Diversification of revenue sources. Programs that have Veterans Administration contracts, Area Agency on Aging Older Americans Act Title IIIB and E funds, State funded programs, and private pay.

State Medicaid Directors, Governors and State legislators have an opportunity to work closely with Adult Day Services providers in their states to develop policies, regulations, and reimbursement methodologies that promote payments based on the scope of services provided and the quality of those services. Under the Federal Money Follows the Person grants, Nursing Home diversion programs and Balancing Incentive program many states used adult day services as a means to reduce the risk of nursing home placement and transition older adults and persons with disabilities to the community. The interdisciplinary approach and diversity of services in the adult day model have been successful in helping individuals remain in the community. The full day of services in adult day services is critical for working caregivers who need to work a full day and care for a spouse, parent, grand parent or adult child. The move to person centered care fits into the adult day services model of care. Adult Day Centers have cultural specific programs, and disease specific programs that develop programs that are specifically designed for the individuals being served by the program.

As the federal and state governments move to break down silos between Medicare and Medicaid services, as well as between types of providers, adult day centers have the opportunity to be part of the solution to how the United States will provide the growing older population services to help them remain in the place they call home.

TABLE A
Medicaid Reimbursement by State

State	Medicaid Reimbursement by the hour	Payment Methodology
Alabama	\$6.08	Social model 4 hr. day
Alaska	\$21.00	Based on location
Arizona	\$9.99	MCOs pay ALTCS rate
Arkansas	\$10.16	Based on acuity/scope of services
California	\$19.07	Negotiated rate- MCOs
Colorado	\$6.05	Based on acuity/scope of services
Connecticut	\$14.18	Based on acuity/scope of services
Delaware	\$12.91	Based on acuity/scope of services/ Negotiated rate
District of Columbia	\$16.45	Based on acuity/scope of services
Florida	\$10.00	MCOs-Negotiated rate
Georgia	\$10.09	Based on acuity/scope of services
Hawaii	\$15.80	MCOs-Negotiated rate
Idaho	\$6.00	Paid based on 15 min. units
Illinois	\$9.02	Paid by the hour
Indiana	\$12.24	Based on acuity/scope of services
Iowa	\$7.58	Negotiated rate- based on VA rate
Kansas	\$8.77	MCOs-Paid based on 5 hour units. Base rate set by the state. Can negotiate higher rate
Kentucky	\$10.28	Based on acuity/scope of services
Louisiana	\$9.60	Paid based on 15 min. units
Maine	\$12.56	Two levels –Social and Health
Maryland	\$14.90	Medical Day- 4 hours minimum
Massachusetts	\$11.11	Based on acuity/scope of services
Michigan	\$8.00	Negotiated rate
Minnesota	\$13.48	Negotiated rate
Mississippi	\$14.28	Daily rate-4 hours minimum
Missouri	\$9.04	Paid based on 15 min. units
Montana	\$8.64	Paid based on 15 min. units
Nebraska	\$17.05	Daily rate-4 hours minimum
Nevada	\$9.08	Based on acuity/scope of services
New Hampshire	\$9.84	Medical Day Program Daily rate
New Jersey	\$13.08	Negotiated rate

New Mexico	\$8.16	Negotiated rate
New York	\$14.26	Negotiated rate-MCOs
North Carolina	\$6.42	Daily rate- minimum 6 hours
North Dakota	\$14.26	Negotiated rate
Ohio	\$6.20	Based on acuity/scope of services
Oklahoma	\$7.52	Paid based on 15 min. units
Oregon	\$11.73	Negotiated rate
Pennsylvania	\$10.17	Based on location
Rhode Island	\$10.60	Daily rate
South Carolina	\$9.62	Daily rate- 5 hour minimum
South Dakota	\$5.36	Hourly rate
Tennessee	\$9.92	MCO-Paid based on 15 min. units
Texas	\$5.03	MCO-Negotiated rate
Utah	\$9.80	Daily rate
Vermont	\$15.40	Hourly rate
Virginia	\$10.02	Based on location
Washington	\$16.78	Based on location
West Virginia	N/A	Paid only through the Self Direction
Wisconsin	\$10.75	MCOs-Negotiated rate
Wyoming	\$8.40	Hourly rate

TABLE B
Medicaid Reimbursement for Transportation To and From the Adult Day Center

State	Transportation to and from the Center
Alabama	No additional payment
Alaska	Paid \$14.74/trip
Arizona	Negotiated with MCO
Arkansas	No additional payment
California	FFS and Managed Care payment
Colorado	Separate billing as a non-medical transportation provider
Connecticut	Billed separately through non-emergency transportation
Delaware	\$8.00 R/T is taken from the daily rate to cover paratransit
District of Columbia	Billed separately through non-emergency transportation
Florida	Negotiated rates through MCO
Georgia	Billed separately through non-emergency transportation
Hawaii	Separate Medicaid transportation through Logisticare
Idaho	Billed separately through non-emergency transportation
Illinois	\$8.30 one way trip
Indiana	Included in the rate
Iowa	No additional payment
Kansas	Billed separately through non-emergency transportation
Kentucky	Included in the rate
Louisiana	Included in the rate
Maine	Paid through a separate waiver
Maryland	Included in the rate
Massachusetts	Paid separately through MassHealth
Michigan	MCO- separate
Minnesota	Billed separately
Mississippi	Included in the rate
Missouri	Included in the rate
Montana	Included in the rate
Nebraska	Paid through a separate waiver
Nevada	Billed separately through contract with the state
New Hampshire	Included in the rate
New Jersey	Included in the rate
New Mexico	Included in the rate
New York	Included in the rate

North Carolina	Billed separately
North Dakota	Billed separately through non-emergency transportation
Ohio	Billed at \$20.40 R/T
Oklahoma	Billed separately
Oregon	Billed separately through non-emergency transportation
Pennsylvania	Paid to PA Shared Rides Providers
Rhode Island	Separate Medicaid transportation through Logisticare
South Carolina	Billed at \$14.00 R/T
South Dakota	Not included in the Adult Day rate
Tennessee	MCO- Included in the rate
Texas	Transportation included in the rate
Utah	\$14.94 per one way trip
Vermont	Waiver covers 20% of transportation costs- ADC responsible for 80%
Virginia	Included in the rate
Washington	Included in the rate
West Virginia	N/A
Wisconsin	Billed separately under MCO contract
Wyoming	Billed separately through non-emergency transportation

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SOURCES: Information on reimbursement and regulations

*LeadingAge thanks the staff of the following state government agencies for providing information for this report.**

- Alabama Medicaid Agency
- Alaska DHSS Division of Senior & Disabilities Services
- Arizona Health Care Cost Containment System
- Total Life Healthcare MediPak Advantage PPO, Arkansas
- Long-Term Care and Aging Services Division California Department of Aging
- Colorado Department of Health Care Policy and Finance
- Connecticut Department of Social Services
- Delaware Division of Services for Aging and Adults with Physical Disabilities
- Long Term Care Administration D.C. Department of Health Care Finance
- Florida Division of Medicaid
- Georgia Department of Community Health Medicaid Division
- Idaho Department of Health and Welfare Bureau of Long Term Care, Division of Medicaid
- Illinois Department of Healthcare and Family Services
- Indiana Family & Social Services Administration
- Kansas Department for Aging and Disability Services
- Kentucky Department for Medicaid Services Division of Community Alternatives
- Louisiana Office of Aging and Adult Services (OAAS)
- Maine DHHS Office of Aging and Disability Services
- Long Term Care Services Division Michigan Department of Health and Human Services
- Minnesota Department of Human Services

- Missouri Department of Social Services
- Mississippi Office of Long Term Care, Division of Medicaid
- Montana Office on Aging Senior and Long Term Care Division
- Nebraska Department of Health and Human Services
- Nevada Division of Health Care Financing and Policy
- New Hampshire Department of Health and Human Services
- New Jersey Department of Human Services
- New Mexico HSD/MAD
- North Dakota Department of Human Services
- Ohio Department of Medicaid
- Oklahoma Medicaid Services Unit
- Oregon Department for Aging & People with Disabilities
- South Carolina Department of Health and Human Services
- South Dakota Department of Social Services
- TennCare, Tennessee Div. of Health Care Finance & Administration
- Texas Department of Aging and Disability Services
- Texas Health and Human Services
- *Aging Waiver Utah DHS/DAAS*
- Division of Long-Term Care Virginia Dept. of Medical Assistance Services
- Bureau of Managed Care, Division of Long Term Care Wisconsin Department of Health Services
- Wyoming Division of Healthcare Financing

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