



TO: The Honorable Maggie McIntosh, Chair  
Members, House Appropriations Committee  
The Honorable Larry Hogan Administration

FROM: Danna Kauffman  
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DATE: February 27, 2020

RE: **OPPOSE** – House Bill 152 – *Budget Reconciliation and Financing Act of 2020*

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The Maryland Association of Adult Day Services (MAADS) strongly **opposes** any effort to reduce the 4% rate increase contained in *House Bill 166 (Chapter 10) “Fight for Fifteen”* from the 2019 Session. Therefore, we request that the committee reject the change that reduced the 4% rate increase to 2% contained on page 17, line 11 of House Bill 152.

The restoration of the full 4% is vital to the health of medical adult day care centers. As indicated in the 2018 report - *Rate Methodology Study Pursuant to Section 2 of House Bill 1696 (Chapter 798 of the Acts of 2018)*, the underfunding of medical adult day care centers is especially pronounced. Given that the State did not complete the report requiring a detailed plan on closing the funding gap, the reduction by 2% of the mandatory 4% appropriation will simply exacerbate the underfunding.

Medical adult day is a community-based program, allowing the elderly and adults with physical and/or mental disabilities to remain in their homes but be transported to centers during the day to receive health monitoring, socialization, daily meals, and nursing care in a safe and structured environment. There are over 126 centers located throughout the State, caring for nearly 6,000 clients per day. Medical adult day programs are a critical component in the continuum of care. By providing individuals with daily nursing and other supportive services, participants can avoid more costly acute care visits. For family members of participants, they can go to work with the knowledge that their loved one is safe.

Centers and the State are now at a crossroads. Due to the chronic underfunding coupled with rising costs, centers are either operating in the negative or with very small margins. Unlike other businesses that can pass added costs on to consumers, centers do not have this option because clients are either on Medicaid, receive subsidies through the State grant program or, while private pay, are on fixed incomes and cannot afford higher fees. This underfunding is coming at a time when there is a greater need for home-and-community based services. Between 2015 and 2030, Maryland’s 60+ population is anticipated to increase from 1.2 million to 1.7 million, a 40% increase. Similarly, the number of people aged 65 and

older with Alzheimer's disease in Maryland is expected to increase 18.2% by 2025. As individuals live longer, Maryland must ensure the availability of affordable, community-based services. For those cared for in medical adult day centers, the only other option would be care in an institutional setting at a much higher cost to the State.

Therefore, given that the 4% rate increase was allocated in order to offset minimum wage increases and the minimum wage has already increased, we request that the House Appropriations Committee reject the Governor's rate reduction in *House Bill 152: Budget Reconciliation and Financing Act* and work to restore the full appropriation in the FY2021 budget. We value both our employees and our participants and urge you to partner with us so that medical adult day centers can continue to be a viable community option for our State's elderly and physically and/or mental disabled residents.