

Chairman Dolan, Vice-chair Gavarone, Ranking Member Sykes, and members of the Senate Finance Committee, thank you for the opportunity to share our thoughts on the state budget in relation to adult day services.

My name is Kim Chalfant and I am the Director of Active Day of Cincinnati. I've been in the adult day care industry for over 20 years. My company, Active Day, operates over 100 centers in 10 states and is the largest operator of adult day centers in the country. Three years ago, Active Day had 3 adult day centers Ohio and in spite of plans to expand, now has just one. We were forced to close a program serving Dayton as unsustainable and more recently a struggling program in Fairfield (Butler County) that Covid put over the edge.

When I started in the Cincinnati area in 2000, there were over 20 centers in the Cincinnati area. Pre-covid, the number of adult day care centers in the Cincinnati area had dwindled to just 5. This is a staggering number and tells a serious story. Even more devastating is that after Covid- only 2 of us have reopened and the other open center no longer accepts Medicaid clients because of poor reimbursement.

I know everyone is talking about how adult day care has suffered over the last 15 months due to Covid. And you are right – adult day programs have suffered irreparable harm. We were one of the few industries that was 100% shut down. We continue to be hobbled by capacity restrictions that make programs unsustainable. But we have also been suffering for 10 years.

Our program served 120 members in March 2020 and employed 15 people. Today we are down to 30 members and a staff of 3.

In all candor, my company is assessing if my program is even sustainable.

Many caregivers were distraught as they had to decide to either give up jobs or put their loved ones into long term care facilities, a terrible choice to have to make. Spouses, adult children, and others often miss work or are forced to leave a job to be at home to care for their loved ones. Adult day is a cost-effective way to support the caregiver – they can remain employed and/or receive much needed respite to maintain their own health and wellbeing. Using respite allows them to be good caregivers without burnout.

Let me take a moment to be share with the Committee, who benefits from Adult Day Care:

1. Aged and disabled Ohioans- we enable them to stay in their homes and places of residence. Not only are health care costs lower at home, if we can keep seniors in a community setting for a longer period, their quality of life is better.
2. Family members and businesses- as a Workforce Development Solution. Enabling family members to rejoin and stay in the workforce and contribute instead of staying at home.
3. The State of Ohio- we serve as a nursing home diversion for our Seniors, saving the state millions of dollars. One adult day care member costs approximately \$19,000 annually versus over \$150,000 for a nursing home.

As devastating as COVID has been, the true issue here is that adult day care has not had a rate increase for almost 10 years. In fact, the last rate increase was a 20% increase because, even then, the rate had been allowed to stagnate for years.

The industry has had to deal with ten years of increases in wages, benefits, rents, gas, utilities, real estate taxes, food and more with absolutely no relief. We are funded almost wholly through Passport and managed care companies. We have no ability to raise our rates.

We are an industry that was being slowly decimated for years even prior to COVID.

Specifically, both the adult day care rate and transportation rate are unsustainable.

Currently, the PASSPORT program reimburses adult day centers less than \$50 per day with a required staffing ratio of 1:6.

The transportation rate is approximately \$10/trip. In fact, we provide the same service as Day Habilitation providers do for younger adults. We pick up members and bring them to a center and then bring them home. Yet at \$20/trip, the DODD approved rate is 200% the adult day rate for the exact same service. I don't know how this makes sense.

Our company cannot afford to provide transportation at these rates. We rely on transport companies, family members and public transport to get members to our center. It's not safe and it's not the service our Ohioans deserve.

An amendment providing a \$10 million in biennial funding stabilizes rates for the entire adult day care industry. I know this is a lot of money. I also know it will save Ohio even more.

We anticipate these funds will bring funding into alignment with neighboring states and come close to covering the actual costs of care.

All of this discussion is necessary and it is necessary that businesses can survive. But most importantly is necessary that our Seniors can thrive. Adult Day provides that. Like the families that consider us their extended families. Like caregivers that call us lifesavers. Like members who couldn't wait to come back to the center. To the members that called me when we were closed because they wanted to hear my voice. Our Seniors deserve this.

I beg you to make the commitment to Older Ohioans, caregiving Ohioans, working Ohioans, and fund this investment.

Thank you