

**MORATORIUM ON MEDI-CAL CERTIFICATION AND ENROLLMENT OF
ADULT DAY HEALTH CARE CENTERS
August 2007**

In accordance with Section 14552.5 of the California Welfare and Institutions Code, I, Sandra Shewry, Director of the Department of Health Care Services (Department), Health and Human Services Agency, State of California, am continuing the statewide moratorium on the certification and enrollment of Adult Day Health Care (ADHC) centers in the Medi-Cal program, pursuant to the provisions of Section 14043.46 of the California Welfare and Institutions Code. The 2007/08 budget assumes that there will be no discretionary exceptions to the moratorium granted in 2007/08.

Exemptions to the moratorium are specified in Section 14043.46 of the California Welfare and Institutions (W & I) Code and include all of the following:

1. Programs of All-Inclusive Care for the Elderly (PACE) established pursuant to Chapter 8.75 (commencing with Section 14590).
2. An organization that currently holds a designation as a federally qualified health center as defined in Section 1396d(l)(2) of Title 42 of the United States Code.
3. An organization that currently holds a designation as a federally qualified rural health clinic as defined in Section 1396d(l)(1) of Title 42 of the United States Code.
4. An applicant with the physical location of the center in an unserved area, which is defined as a county having no licensed and certified adult day health care center within its geographic boundary.

5. Effective May 1, 2006, an applicant for certification that meets all of the following:
 - a) Is serving persons discharged into community housing from a nursing facility operated by the City and County of San Francisco.
 - b) Has submitted, after December 31, 2005, but prior to February 1, 2006, an application for certification that has not been denied.
 - c) Meets all criteria for certification imposed under this article and is licensed as an adult day health care center pursuant to Chapter 3.3 (commencing with Section 1570) of Division 2 of the Health and Safety Code.

6. An applicant that is requesting expansion or relocation, or both, that has been Medi-Cal certified as an adult day health care center for at least four years, is expanding or relocating within the same county, and that meets one of the following population-based criteria as reported in the California Long Term Care County Data Book, 2002:

- a) The county is ranked number one or two for having the highest ratio of persons over 65 years of age receiving Medi-Cal benefits.

Note: In the Long Term Care County Data Book, San Francisco County is ranked number one, and Imperial County is ranked number two.

- b) The county is ranked number one or two for having the highest ratio of persons over 85 years of age residing in the county.

Note: In the Long Term Care County Data Book, Sierra County is ranked number one, and Napa County is ranked number two.

- c) The county is ranked number one or two for having the greatest ratio of persons over 65 years of age living in poverty.

Note: In the Long Term Care County Data Book, Humboldt County is ranked number one, and Yolo County is ranked number two.

- 7. An applicant for certification that is currently licensed and located in a county with a population that exceeds 9,000,000 and meets the following criteria:
 - a) The applicant has identified a special population of regional center consumers whose individual program plan calls for the specialized health and social services that are uniquely provided within the ADHC center, in order to prevent deterioration of the special population's health status.
 - b) The referring regional center submits a letter to the Director of Health Care Services supporting the applicant for certification as an ADHC provider for this special population.
 - c) The applicant is currently providing services to the special population as a vendor of the referring regional center.
 - d) The participants in the center are clients of the referring regional center and are not residing in a health facility licensed pursuant to subdivision (c), (d), (g), (h), or (k) of Section 1250 of the Health and Safety Code.
- 8. For an application to change ownership, the ADHC center must meet all of the following conditions:
 - a) Has been licensed and certified prior to the enactment of W & I Code Section 14043.46 on August 16, 2004.
 - b) Has a license in good standing.

- c) Has a record of substantial compliance with certification laws and regulations.
 - d) Has met all requirements for the change application.
9. For an application to relocate an existing facility, the relocation center must meet all of the conditions in exemption 8 above, and both of the following conditions:
- a) Must be located in the same county as the existing licensed center.
 - b) Must be licensed for the same capacity as the existing licensed center, unless the relocation center is located in an underserved area*, which is defined as a county having two percent or fewer Medi-Cal beneficiaries over the age of 65 years using ADHC services, based on 2002 calendar year Medi-Cal utilization data.
10. For an application to increase the capacity of an existing facility, the center must meet all of the conditions in exemption 8, and must be located in an underserved area* as defined in exemption 9(b) above.
11. Following the first 180 days of the moratorium period, the Department may make exceptions to the moratorium for new ADHC centers that are located in underserved areas, if the center's application was on file with the Department on or before the enactment of this section on August 16, 2004, and the applicant meets all other specified criteria in W & I Code Section 14043.46(d). However, due to fiscal considerations, there will be no discretionary exceptions to the moratorium granted for fiscal year 2007/08.

This action is necessary to allow the complete implementation of significant ADHC program reform as required by Senate Bill 1755 enacted on September 29, 2006, and to safeguard public funds and maintain the fiscal integrity of the Medi-Cal program.



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Sandra Shewry
Director
Department of Health Care Services
Health and Human Services Agency
State of California

8/7/07
Date

*The following counties qualify as underserved areas:

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| Alpine | Inyo | Monterey | Santa Clara |
| Amador | Kings | Plumas | Solano |
| Butte | Lake | Riverside | Sonoma |
| Calaveras | Lassen | San Benito | Stanislaus |
| Colusa | Madera | San Bernardino | Sutter |
| Contra Costa | Mariposa | San Joaquin | Tehama |
| Del Norte | Merced | San Luis Obispo | Trinity |
| El Dorado | Modoc | San Mateo | Tulare |
| Glenn | Mono | Santa Barbara | Yuba |