

**North Carolina Adult Day Services Project  
October 2004 – December 2005**

**Final Report  
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## NORTH CAROLINA ADULT DAY SERVICES PROJECT

Because of a concern that 30 adult day programs closed in North Carolina over a five-year period, the following Special Provision was included in the State budget bill, approved in July of 2004 (Section 10.21(a) S.L. 2004-124):

*In an effort to support and sustain adult day services in North Carolina, the Department of Health and Human Services shall contract with a national adult day services resource center to provide training and consultation to adult day services providers and State and county adult day services consultants. The selected consultant shall study the current method of reimbursement for adult day services and make recommendations regarding changes to the reimbursement methodology. Appropriation: \$250,000.*

The Department of Health and Human Services (DHHS) assigned responsibility to the Division of Aging and Adult Services (DAAS) for contracting with a national adult day services resource center for activities specified in the Special Provision. Partners in Caregiving: The Adult Day Services Program, a national adult day services resource center in the Department of Psychiatry and Behavioral Medicine at the Wake Forest University School of Medicine (Winston-Salem, NC), was chosen as the consultant.

Partners in Caregiving began contract activities in October of 2004, with an overall contract period of October 4, 2004 through December 31, 2005. In accordance with the Special Provision, the adult day services project focused on two major areas: 1) a reimbursement methodology study; and, 2) training and technical assistance.

### **Adult Day Services Background**

Adult day services have grown in North Carolina from two adult day programs in 1973 to its peak of 125 programs in 68 counties in 2000. The number of programs began to level off at 116 and remained stable at that number for a while. Although some programs would close, others would open. In many cases, the programs that closed later reopened under the auspices of a new organization. However, during the latter part of 2002, several programs closed and have not reopened. Also, several of these programs closed in counties where it was the only service of this type. There has continued to be a steady decrease in certified adult day programs. Approximately one year ago, there were 113 programs in 60 counties. Today, there are only 107 programs in 58 counties.

**A National Study of Adult Day Services** (2001 - 2002), funded by The Robert Wood Johnson Foundation, was conducted by Partners in Caregiving. The study revolved around three major activities: (1) conducting a census of adult day services providers to determine how many adult day programs exist and where they are located; (2) surveying these providers to determine populations served and services offered; and, (3) identifying gaps in the current service delivery system. The assessment of gaps included analysis of utilization gaps (i.e., where programs exist

but are underutilized) and availability gaps (i.e., where no programs exist despite a probable need), illustrating counties that are under served, in equilibrium, or that have excess capacity.

The study confirmed 3,407 adult day programs in the United States, of which 107 were located in North Carolina. Nationally, although overall growth in the adult day services industry was evident, it lags behind the need for the service, with 56% of U.S. counties being under served. In North Carolina, 75 out of 100 counties (75%) are under served. With current need not being met, 5,415 new adult day programs are needed nationwide. Of these, 138 are needed in North Carolina, ranging from one new program needed in 43 counties to seven new programs needed in three counties.

The service gap analysis of the national study determined that North Carolina (based on the age 65+ population) could support, overall, a total of 243 adult day programs at an average program size of serving 40 people per day. With 138 new programs needed in the State, only 43% of the need is being met. [Note: This is a conservative estimate because adult day programs also serve a younger population with chronic conditions.] With the steady decline in certified programs, the percent of need being met will only decrease. Thus, the reason for the Special Provision: to support and sustain adult day services in North Carolina.

## **REIMBURSEMENT METHODOLOGY STUDY**

In accordance with the Special Provision, the first major area of concentration was to “study the current method of reimbursement for adult day services.”

There are three funding sources for adult day services administered through the Department of Health and Human Services: Home and Community Care Block Grant (HCCBG), State Adult Day Care Fund (SADCF) and the Community Alternatives Program for Disabled Adults (CAP/DA, which covers adult day health care only). Because of time constraints to prepare recommendations for the legislative Study Commission on Aging, the scope of the study focused primarily on the Home and Community Care Block Grant and State Adult Day Care Fund, which are both administered by the Division of Aging and Adult Services.

To support and sustain adult day services in North Carolina, various reimbursement methodology changes need to be made to determine reasonable reimbursement rates, to allow for negotiated rates with consideration of cost, and to ease administration. The final report of the **North Carolina Adult Day Services Reimbursement Methodology Study** is a separate document that was presented to the North Carolina Study Commission on Aging at its January 20, 2005 meeting.

## **Future Study Recommendations**

### **Transportation**

For the HCCBG and SADCF, the reimbursement methodology being studied revolved around rates that excluded transportation. Transportation, however, did come up in the provider interviews in that the current reimbursement rate of \$1.50 per trip is low for an extremely costly service. Reimbursement at such a low rate (based on a trip instead of by the mile) is a major financial drain on adult day programs.

Research conducted by Partners in Caregiving has shown that transportation is a predictor of financial success. In order to be financially viable, adult day programs must provide or arrange for transportation. Daily census increases when transportation is offered.

To address the issue of inadequate funding for adult day services transportation, additional State appropriations would be required.

### **Community Alternatives Program for Disabled Adults (CAP/DA)**

Since the contract for the Adult Day Services Reimbursement Methodology Study was through the Division of Adult and Aging Services, the focus of this study was on the HCCBG and SADCF. Although CAP/DA is a funding stream for adult day services, it is administered through the Division of Medical Assistance (DMA), a separate division within the Department of Health and Human Services. As noted in the study, there are further funding inconsistencies among HCCBG, SADCF and CAP/DA. Conversations with DMA, regarding whether these inconsistencies should be addressed, are needed prior to making system change recommendations. DAAS will review the report with DMA, with input from Partners in Caregiving.

## **TRAINING/TECHNICAL ASSISTANCE**

In accordance with the Special Provision, the second major area of concentration was to “provide training and consultation to adult day services providers and State and county adult day services consultants.”

### **TRAINING**

#### **Training Overview**

To support and sustain adult day services in North Carolina, comprehensive statewide training was provided to certified adult day programs, Division of Aging and Adult Services (DAAS) staff, and county Department of Social Services (DSS) adult day care coordinators. [Note: Adult day programs, certified as adult day care and/or day health are monitored monthly by Adult Day Care Coordinators at the local level.]

**Five one-day regional training sessions** took place across the state (Winston-Salem, Raleigh, Charlotte, Elizabethtown, and Hendersonville) from January through March 2005 specifically for all **certified adult day programs** and DAAS staff. Invitations to attend were also sent to: 56 potential start-up adult day programs (on a DAAS call-in list), 104 county DSS adult day care coordinators, 95 county Health Department adult day health specialists (who monitor quarterly adult day programs certified as day health), 17 Area Agencies on Aging, 12 regional DAAS Adult Program Representatives, the Social Services Commission, and the Study Commission on Aging. A promotional flyer was also sent to adult day programs in other states via the 45 state adult day services associations.

The overall goal of the training was to reach as many certified adult day programs as possible, to expose them to predictors of success for financial viability and the value of being part of a state association network. Because some certified adult day programs might need resources to help offset the cost of travel or per diem coverage to attend the training, a \$250 scholarship was available to any certified program. Refer to Attachment A that includes the training session cover memo, flyer, registration form, and scholarship application sent to all certified adult day programs.

Also sent to all certified programs was an Adult Day Services Profile (Attachment B), developed to determine to what extent a program is at risk of closing, if at all. Completing and returning the profile was their ticket to attend one of the training sessions.

Training session content revolved around predictors of success from a marketing, financing, and programming perspective (as determined by Partners in Caregiving research over a 15-year period). Refer to Attachment C for the complete agenda.

As part of the training package, each certified program (by attending a training) had access to individualized technical assistance (via telephone or e-mail) through June 2005. And, by attending a training, each certified program received the following training products developed by Partners in Caregiving:

- ***Marketing Adult Day Programs: Targeting Caregivers to Reach Participants***

An 83-page manual designed to help adult day programs enroll more participants by targeting caregivers. This manual provides the basic concepts of marketing as they apply to adult day programs, and gives detailed strategies on how to reach each caregiver market segment: Information Seekers, Respite Seekers, and Care Seekers.

- ***Marketing Adult Day Services to Businesses and Working Caregivers***

A 58-page manual that provides detailed strategies on how to: reach working caregivers; decide on which products to offer; develop promotional materials targeted to working caregivers; and, market to businesses.

- ***Referral Source Marketing for Adult Day Programs***

One of the most effective ways to market adult day programs is by marketing to referral sources. This 89-page manual helps programs: understand and identify their best referral

streams; follow the critical steps in referral source marketing; and, track important marketing data.

- ***Special Marketing Issues for Adult Day Programs: Product Line Marketing, Marketing Within Larger Organizations, Rural Challenges & Opportunities***

This 84-page manual focuses on three marketing issues: product lines, being part of a larger organization, and rural challenges.

- ***Marketing Tool Kit for Adult Day Programs: Computer Templates to Create Effective Marketing Materials***

This 97-page guidebook and accompanying CD with computer templates (in Microsoft Word and Microsoft Publisher formats) provides adult day programs with an easy way to create effective marketing materials: caregiver and referral source brochures and flyers, newsletter, satisfaction surveys and more. Each template is based on proven marketing strategies and techniques specific to adult day programs.

- ***From the First Call Through the First Days: A Step-by-Step Guide for Adult Day Centers on Converting Inquiries into Enrollments***

This 126-page manual is a step-by-step guide for adult day program staff on the successful conversion of the first time telephone caller to an enrolled participant. The guide focuses on the 5 steps of the inquiry-to-enrollment conversion process.

- ***New Customers for Adult Day Centers: Results of a Focus Group on Serving New and Expanded Populations***

This 34-page report focuses on the opportunities, risks, and special challenges of moving beyond serving only the frail elderly.

- ***Now What? A Handbook of Activities for Adult Day Programs***

Packed full of dementia programming ideas, this 166-page handbook is designed to serve as a resource guide for adult day program staff, as well as caregivers, and to share a variety of activities that have worked well over time with dementia participants. 87 activities are featured.

- ***Respite Report Collection and Respite Report Collection II***

Nine years of *Respite Report* (the Partners in Caregiving national adult day services newsletter) are bound and subject-indexed to make it easy to learn about successful adult day programs across the country.

All certified programs (attending a training) also received ***Accepting the Challenge***, an educational training DVD developed by the Eastern North Carolina Chapter of the Alzheimer's Association (Raleigh, NC). Through interactive classroom lecture and demonstration, to on-site interactions with Alzheimer's patients, the DVD is designed to help family caregivers and health

care professionals provide the best possible care for people with dementia.

All certified programs (attending a training) also received *Adult Day Services – Program Development Assessment* developed by Creative Consulting for Adult Day Centers (Fuquay-Varina, NC). The purpose of this assessment tool is to help adult day centers: 1) identify operational areas of strength and those that need improvement; 2) compare present to potential programming and operations management; 3) measure changes in the culture of the program over time; and, 4) identify and develop a list of priority actions for improving the program.

A **one-day training session** was also conducted at the end of March for all adult day program monitors: **county Department of Social Services adult day care coordinators** and the **county Health Department adult day health specialists**. This training was piggybacked to the annual training for monitors sponsored by DAAS. Training session content revolved around predictors of success from a marketing and financing perspective (as determined by Partners in Caregiving research over a 15-year period). Refer to Attachment D for the complete agenda. As part of the training package, each adult day care coordinator and adult day health specialist (attending the training) received a *Comparison of NC Adult Day Care and Day Health Services Standards for Certification to Best Practices/ Predictors of Success*, prepared by Creative Consulting for Adult Day Centers and Partners in Caregiving.

### **Training Results**

Regarding the five regional training sessions, for certified adult day programs and DAAS staff, the response from certified programs was outstanding! A total of 94 (out of 106) certified programs participated in this project, by completing and submitting the Adult Day Services Profile – their ticket to the training. An 89% participation rate is incredible!

Of the 94 programs, 88 actually followed through by attending one of the training sessions, with 76 of the 88 (86%) requesting the \$250 scholarship to help defray costs associated with attending the training. Overall, a total of 138 adult day program staff and Board members (representing the 88 certified programs) were trained.

Each certified adult day program (by attending the training) had access to individualized technical assistance from the trainers (via telephone or e-mail) through June 2005. Only 10 of the 88 certified programs (11%) took advantage of this training package component. The small percentage of programs taking advantage of the follow-up technical assistance was no surprise. Once adult day program directors get back to work, they become caught up in the day-to-day operations of the program, with time being an elusive commodity. Technical assistance research conducted by Partners in Caregiving has shown that the most effective form of follow-up technical assistance is through a structured system, such as a mentoring program, in which monthly telephone consultation is scheduled.

Regarding the one-day training session, specifically for county adult day program monitors (piggybacked to the DAAS annual training workshop), 30 of the 100 county DSS offices were represented (30%). And, 7 of the 95 county Health Department offices were represented (7%).

### **Training Evaluations**

Overall, the training session evaluations were extremely positive. Certified adult day programs

would like to see more of the same type of training, on a regular basis, to keep directors/ programs focused and on track. Some believe the training should be required. For the monitors, the training provided a wealth of information to assist them in providing technical assistance to adult day programs at the local level. The evaluation summaries for each training session are provided in Attachment E.

## **ADULT DAY SERVICES PROFILE**

### **Overview**

As previously discussed, an Adult Day Services Profile (Attachment B), was developed to determine to what extent an adult day program is at risk of closing, if at all. This at-risk assessment tool was sent to all certified adult day programs. Completing and returning the profile was their ticket to attend one of the training sessions. As previously noted, 94 of the 106 certified programs completed the profile (89% participation).

The Adult Day Services Profile was not a meaningless piece of paper that programs were asked to fill out. All questions asked were crucial questions for sustainability, and were classified as either a risk indicator or critical risk indicator. The training content of the five regional training sessions revolved entirely around the profile. All certified programs received their completed profile back, at the beginning of the training session, to refer to during the course of the day. In this way, each program could see (in black and white) their individual strengths and weaknesses, pinpointing the areas they need to work on for financial viability. This type of technical assistance made the training individualized for each program.

### **Profile Scoring**

Since the training session theme was *Adult Day Programs: Road to Success*, the scoring of the profile revolved around zones: **Safety Zone: No Risk of Closing**; **Warning Zone: Danger Ahead**; and, **Danger Zone: At Risk of Closing**. In scoring the profile, the total points any certified program could receive was 44 points. The lower the score the better the program, the less at-risk of closing.

The At Risk Scale (i.e., the range of points for each zone) was determined by first calculating the average score (19) and then calculating the standard deviation (6). As a result, the Safety Zone was 0 - 19 points, the Warning Zone was 19.5 - 25.5 points, and the Danger Zone was 26 - 44 points.

Of the 94 profiles, 87 were complete enough to be able to be scored. Of the 87 certified adult day programs, 48 (55%) scored in the Safety Zone: No Risk of Closing, 26 (30%) scored in the Warning Zone: Danger Ahead, and 13 (15%) scored in the Danger Zone: At Risk of Closing. At the end of the training session, each certified program received their risk score. The next step, for those programs in the Danger Zone, would be a one-on-one technical assistance site visit to discuss their strengths/accomplishments, in addition to weaknesses/overall concerns, with specific recommendations for program growth.

### **Data Reporting**

The Adult Day Services Profile provides an incredible amount of information never before collected in North Carolina (or any other State). Comparisons of certified adult day programs

are made in relation to the following areas:

***Program structure:*** years in operation, certification type, affiliation, tax status

***Location:*** urban/rural, state regions

***Operations:*** number of days open per year, hours of operation, capacity, average daily attendance, utilization

***Transportation***

***Staffing***

***Marketing:*** age eligibility, type of building, conversion ratio, length of stay, marketing plan, monthly newsletter, target marketing materials

***Financial information:*** number/types of operating revenue streams, private pay revenue, unit cost, private pay fee, financial performance, surplus/deficit, cash flow, reserve funds

***Strategic plan***

***State association membership***

***Affiliation with Partners in Caregiving*** (prior to this project)

***At risk scores***

Based on the above categories, a total of 33 charts comparing the certified adult day programs is Attachment F.

### **Data Analysis**

Analysis of the Adult Day Services Profile data also provides a wealth of information, not only for North Carolina but the adult day services industry as a whole.

For those **adult day programs in the Safety Zone**, it is evident as to why. Regarding certification type, 79% are combination model programs, with 73% located in urban areas. From an operational perspective, these programs are open 10 hours per day, with an average maximum capacity of 36 and an average daily attendance of 25, resulting in an average utilization rate of 72%. From a marketing perspective: 58% have a written marketing plan; 40% have a monthly newsletter; 83% have a caregiver brochure; 77% have an ad (under adult day care) in the yellow pages; and, 69% have a web site.

From a financial perspective, adult day programs in the Safety Zone have, on average, 7 operating revenue streams, with 98% bringing in private pay dollars. Private pay/out-of-pocket payments account for 24% of their total operating revenue. The majority (65%) are charging less than unit cost. On average, unit cost is \$50 per day, while the top private pay fee is \$44 per day

– a \$6 differential. Less than half (48%) of the programs have a year-end deficit, which is, on average, \$17,275, with 30% of programs having no reserve funds. For the 44% that do have a surplus at the end of the year, it is, on average, \$42,673. Sixty-three percent (63%) of adult day programs in the Safety Zone have a strategic plan, and 79% are members of the North Carolina Adult Day Services Association.

For those **adult day programs in the Danger Zone**, it is evident as to why. Regarding certification type, 69% are social model programs, with 54% located in rural areas. From an operational perspective, these programs are open only 8 hours per day, with an average maximum capacity of only 18 and an average daily attendance of only 8, resulting in an average utilization rate of only 43%. From a marketing perspective: only 15% have a written marketing plan; 0% have a monthly newsletter; 46% have a caregiver brochure; 31% have an ad (under adult day care) in the yellow pages; and, 23% have a web site.

From a financial perspective, adult day programs in the Danger Zone have, on average, only 3 operating revenue streams, with 62% relying on SADCF dollars. Private pay/out-of pocket payments account for only 6% of their total operating revenue. The majority (85%) are charging less than unit cost. On average, unit cost is \$46 per day, while the top private pay fee is only \$25 per day – a \$21 differential!! Consequently, 69% of the programs have a year-end deficit, which is, on average, \$26,631, with 85% of programs having no reserve funds. For the 15% that do have a surplus at the end of the year, it is, on average, only \$674. Only 15% of adult day programs in the Danger Zone have a strategic plan, and only 38% are members of the North Carolina Adult Day Services Association.

For a more detailed analysis of all categories refer to Attachment G.

## **TECHNICAL ASSISTANCE SITE VISITS**

### **Overview**

Adult day programs in the Danger Zone: At Risk of Closing and some in the Warning Zone received a one-on-one technical assistance site visit to discuss their strengths and weaknesses, in addition to recommendations for program growth. The director of Partners in Caregiving (PIC) conducted each site visit, with assistance from two other experienced adult day program directors, who have been involved with PIC, living and breathing the predictors of success. The site visit agenda is Attachment H.

### **Site Visit Results**

A total of 22 site visits were conducted from the end of April 2005 through the end of June 2005. Of the 22 site visits, 11 certified adult day programs were in the Danger Zone: At Risk of Closing, 10 programs were in the Warning Zone, and 1 program was in the Safety Zone.

The budget allowed for up to 40 site visits to adult day programs at risk of closing. Since there were not nearly that many, site visits were also conducted with 10 programs at the high end of the Warning Zone (i.e., a score of 24 or above).

At the request of DAAS, 1 site visit was conducted with a combination program in the Safety Zone. During the project, this particular program was informed by United Way that they would be cutting a significant amount of their funds, which in their mind was going to put them at risk of closing. In discussing the situation with the program, the decision was made to do a site visit.

Once the site visits were completed, each adult day program received a follow-up, written report, outlining their strengths/accomplishments, in addition to weaknesses/overall concerns, with specific recommendations to help improve financial viability. Each site visit report was a 9 to 12-page document, outlining (on average) 12 strengths/accomplishments per program (ranging from a low of 7 to a high of 17) and, on average, 20 concerns/recommendations per program (ranging from a low of 16 to a high of 24). To help keep the program open, recommendations revolved around marketing, financing, and programming.

Overall, 100% of the adult day programs receiving a site visit are in under served counties, with a population base that can support program growth. For the majority of programs, their strengths lie in the fact that they are established, well-respected programs in the community, with a positive public image. From a private pay perspective, their programs have market appeal, with quality staff and quality programming evident. From a service perspective, transportation is provided. From a financial perspective, there are diversified revenue streams. And, from a marketing perspective, some marketing materials are in place. 100% of these programs are poised for program growth.

For the majority of adult day programs receiving a site visit, their weaknesses lie in the fact that involvement of their Board of Directors is sorely lacking, with no strategic plan in place. Program certification is not conducive to financial viability (i.e., they are adult day care homes or social model programs). The programs are too small (i.e., their capacity is not conducive to financial viability), and they are underutilized (i.e., they are not full). Also, from a financial perspective, hours of operation are not conducive to working caregivers, transportation is provided but for no extra fee, private pay fees are less than unit cost, private pay revenue is below average, programs are relying too heavily on HCCBG and SADCF dollars, and budgets do not reflect true expenses. From a marketing perspective, there are no marketing plans, target marketing is not being done, marketing materials are poorly done, inquiries are not converting into enrollments, referral source tracking systems are not in place, and monthly newsletters are virtually nonexistent. A summary chart of the strengths/accomplishments and areas of concern/recommendations can be found in Attachment I.

## **SYSTEM FOR SUSTAINABILITY**

The final component of the North Carolina Adult Day Services Project is to make recommendations for a System for Sustainability for adult day programs in North Carolina. In preparation for making recommendations, several steps were taken and various areas researched and/or analyzed. These include the following:

1. Review of the North Carolina Adult Day Services Reimbursement Methodology Study recommendations.

2. Analysis of the regional adult day services training workshop evaluations, the adult day services profile data, and the technical assistance site visit recommendations.
3. Consultation with the Division of Aging and Adult Services (DAAS) to explore ways the State can better support adult day programs.
4. Consultation with the North Carolina Adult Day Services Association to explore ways the association can better support adult day programs.
5. Examination of the role community college small business centers, area health education centers, or other State resources can play in supporting adult day programs.
6. Exploration of the creation of a statewide marketing plan, including a State public awareness campaign.
7. Investigation of the creation of an Adult Day Services Training Institute, incorporating a mentoring program.

As a result of these examinations, it is clear that changes need to be made to the system in order to support and sustain adult day services in North Carolina. Such changes, aimed to improve the financial viability of adult day programs, result in the following recommendations for a System for Sustainability:

## **STRATEGIC PLAN**

### **Issue:**

The funding and regulating of adult day programs is through an extremely complicated and fragmented system. Within the Department of Health and Human Services, adult day programs work with five separate divisions: aging and adult services, medical assistance, mental health/developmental disabilities/substance abuse services, public health (regarding the USDA Child and Adult Care Food Program), and social services. Adult day programs also work with the Division of Environmental Health in the Department of Environment and Natural Resources, the Department of Insurance, the Department of Transportation, and the Division of Veterans Affairs in the Department of Administration (which includes 15 District Veterans Service Offices). For many adult day programs, this is overwhelming, resulting in ignorance as to available funding and program requirements and guidelines. Support and sustainability of adult day programs will not occur until all players are around the table to address ways to create a seamless system, educate providers, and acknowledge the need for capacity-building based on an increase in demand. Such increased demand is inevitable due to a projected increase in the disabled elderly population, and the fact that many adult day programs now serve a younger population with chronic conditions.

### **RECOMMENDATION #1:**

To support and sustain adult day services, and to plan for industry growth, the North Carolina Adult Day Services Association should create an Advisory Group (made up of key individuals

from the various State departments) to move toward the development of a comprehensive, integrated strategic plan, including a statewide marketing plan.

**Cost:**

Costs to DAAS would be none. However, there would be costs for the Association to carryout this recommendation.

The Advisory Group to be created should be staffed by a professional facilitator(s) trained in the Breakthrough Series. The Institute for Healthcare Improvement (Boston, MA) developed this program to bring together groups of health care organizations that share a commitment to make major, rapid changes that will produce breakthrough results: lower cost and better outcomes at the same time. It is a collaborative model focusing on collaborative goals to effect systems change. The ultimate goal is to achieve breakthrough improvement by creating and implementing a strategic plan to support and sustain adult day services in North Carolina.

The Institute for Healthcare Improvement offers an annual Breakthrough Series College – a 3-day training session on all aspects of the Breakthrough Series methodology. The cost is \$4,795 per person. If an organization would like to train a team, the cost would be \$4,795 for one person, and up to two additional people at \$4,000 each. College enrollment also includes a one-year membership to the Breakthrough Series College Network. Via the network, technical assistance is provided through monthly conference calls and an e-mail listserv, plus access to the College Extranet. The Breakthrough Series training, and the facilitation of the Advisory Group, may be a likely candidate for grant funds through the federal government, or local, state or national foundations.

**PUBLIC AWARENESS**

**Issue:**

Similar to most adult day programs across the country, those in North Carolina are underutilized, having more certified space than participants. A logical predictor of financial success is to keep the program full. There is, however, a lack of public awareness as to the existence of adult day programs – the purpose and the value for care recipients and their families.

**RECOMMENDATION #2:**

To increase overall visibility and public awareness, DAAS should create a generic adult day services brochure (similar to the one for senior centers) and information for the DAAS display board used at State and public functions.

**Cost:**

DAAS would need to determine total cost, and whether it can be absorbed into the current DAAS budget, or if additional funds would be required.

**RECOMMENDATION #3:**

In partnership with the DHHS Division of Public Affairs, the Agency for Public Telecommunications (APT) (in the Department of Administration), and the North Carolina Adult

Day Services Association, DAAS should develop and implement a statewide adult day services public awareness campaign.

**Cost:**

To increase citizen access to government and services, APT offers live prime-time cable programs, video/audio/multimedia production, media buying/placement and more. However, since the annual APT appropriation does not fully cover the cost of staffing, equipping, and operating their production facility, all clients must pay to cover the cost of their projects. Once the components and cost of a public awareness campaign are determined, an appropriation to DAAS would be needed to fund the implementation of the campaign. Or, the public awareness campaign may be a likely candidate for grant funds through the federal government or local, state or national foundations.

**TECHNICAL ASSISTANCE**

**Background Information:**

At the State level, a responsibility of the DAAS Adult Day Care Consultants is to provide written, verbal, and on-site technical assistance to adult day programs.

**RECOMMENDATION #4:**

To help support and sustain adult day programs, DAAS should expand its technical assistance as follows:

1. Develop, disseminate (to all certified adult day programs), and post on the DAAS web site the following **fact sheets** for adult day programs:
  - a. Information on how the five divisions within DHHS and three other State departments interface with adult day programs. This would provide education and information in response to the complicated and fragmented system of the regulation and funding of adult day services
  - b. Information detailing the requirements and process for a program to convert from an adult day care only certification to one that combines adult day care and adult day health. Financial viability of adult day programs improves when a program makes this conversion, so a fact sheet of necessary steps would greatly assist programs in making this transition.
  - c. Instructions on negotiating and developing vendor agreements with the local Department of Social Services for State Adult Day Care Funds and with the community advisory board for Home and Community Care Block Grant Funds. This information will assist programs in diversifying their revenue streams, another essential component of achieving financial viability.
2. Create an **adult day services list serv** for the primary purposes of networking, technical assistance, and informal mentoring. The list serv could be developed through the DAAS formal relationship with the Institute on Aging, and should include all certified adult day

programs, Adult Day Care Coordinators, Adult Day Health Specialists, regional Adult Program Representatives, Area Agencies on Aging representatives, the North Carolina Adult Day Services Association executive director, and appropriate DAAS staff. DAAS should also promote the list serv to the other divisions within DHHS and the other State departments that work with adult day programs.

3. Create a **quarterly web-based newsletter** for adult day programs, similar to the DAAS web-based newsletter “At a Glance”. The primary purpose of the newsletter would be to provide enhanced technical assistance, and up-to-date State and Federal information to adult day programs.
4. For enhanced technical assistance for adult day program service improvement on a regional basis, DAAS should encourage the development of a **partnership between the Area Agencies on Aging and adult day programs in their regions**. Area Agencies on Aging have expertise in training/education, technical assistance, and monitoring that would prove beneficial to adult day programs.

**Cost:**

These recommendations can be implemented by current DAAS staff and are, therefore, DAAS budget neutral.

**MONITORING**

**Background Information:**

All certified adult day programs are monitored monthly by Adult Day Care Coordinators at the county level (through the County Department of Social Services). Further monitoring is conducted by county Adult Day Health Specialists (through the County Health Department) for programs with a day health component.

**Issue:**

Inconsistency and lack of uniformity regarding the interpretation of the North Carolina Adult Day Care and Adult Day Health Care Standards for Certification, by the monitors at the county level, was a major topic of discussion during the regional training sessions and site visits. Stories of adult day program practices being acceptable by a monitor in one county but not another were frequent. Furthermore, a practice that may have been acceptable by a monitor one year was not always acceptable by that same monitor the next year, even though the standards had not changed. Although DAAS sponsors an annual training workshop for monitors to discuss interpretation of the standards, attendance is not required. Only 32% of all monitors attended this training in 2005.

Monitoring for compliance is an important function in relation to all operational aspects of adult day programs, especially since these programs are required to meet the standards for certification. Consistent interpretation among counties is essential to ensure a uniform, basic competency of adult day services across the State.

In addition to the DAAS goal of standards to establish policies and procedures that will contribute to good programs, standards should also improve services, and not merely identify shortcomings. Thus, an additional role of the monitors at the local level to monitoring for compliance should also be the provision of technical assistance. Partners in Caregiving research has shown that well-designed technical assistance to effect change contributes to the sustainability of adult day programs.

#### **RECOMMENDATION #5:**

For service improvement and consistent/uniform interpretation of standards across counties, DAAS should contract with an independent consultant to study the current adult day program monitoring system. The study should look at the history of the county monitoring system, including how the existing system was created and why, how it currently operates, and how the system can be improved.

The study should also look at the development of a standard monitoring curriculum (including a technical assistance module) with the intent of improving consistency from county to county. The curriculum should address the various needs of all monitors, regardless of their longevity in the position: the desire to learn, problem solve, share best practices, and experience peer interaction and support. Experienced monitors interacting with new monitors provide an extremely valuable form of mentoring/technical assistance.

To be convenient and accessible to all monitors, the study should look at a variety of training methods such as: regional training sessions in the field on an annual basis; distance learning via videoconferencing through the area health education centers (AHEC); and, an on-line seminar (i.e., webinar). A determination should be made as to the most effective and efficient way to provide the training.

#### **Cost:**

An appropriation to DAAS would be needed to fund such a study. Funds would also be needed for the development of a standard curriculum. The monitoring system study and curriculum development may, however, be a likely candidate for grant funds through the federal government or local, state or national foundations.

### **COLLABORATIVE RELATIONSHIPS**

#### **Issue:**

Most adult day programs are mission-based, non-profit organizations. Unfortunately, although they are a small business, they do not operate like one. Collaborative relationships and networking can contribute to the financial viability of adult day programs.

#### **Background Information:**

There are several free or low-cost organizations offering assistance useful in helping adult day programs become more business minded. The following are three of these with expanded presence throughout North Carolina:

The **Service Corp of Retired Executives (SCORE)** is a nonprofit association dedicated to entrepreneur education and the formation, growth and success of small businesses nationwide. As a resource partner with the US Small Business Administration, its mission is to help develop and improve small businesses by offering free, confidential individualized counseling, and low-cost workshops and seminars on how to start, operate, buy and sell a business. In addition to the SCORE CyberChapter for e-mail counseling, there are 13 SCORE chapters in North Carolina for counseling and workshops/seminars. These chapters are located throughout the State, specifically in Asheboro, Asheville, Chapel Hill, Charlotte, Durham, Greensboro, High Point, Kill Devil Hills, New Bern, Raleigh, Southern Pines, Hendersonville, and Wilmington.

The **North Carolina Small Business Center Network (SBCN)** is comprised of 58 Small Business Centers located at the community colleges across the State. The SBCN mission is to increase the success rate and the number of viable small businesses in North Carolina by providing high quality, readily accessible assistance to prospective and existing small business owners and their employees. Each community-based Small Business Center includes a resource library, and offers free, confidential counseling and low-cost workshops and seminars (such as how to start a business, how to write a business plan, financing a business, and marketing for success).

The **North Carolina Small Business and Technology Development Center (SBTDC)** is a business development service of the University of North Carolina, operated in partnership with the US Small Business Administration. The SBTDC helps those interested in starting a business and small business owners meet the challenges of today's business environment, manage an ever-changing world, and plan for the future of their business. The SBTDC does this by providing on-line publications, and educational services and management counseling to small and mid-sized businesses in all 100 North Carolina counties. Most services are free of charge through 17 offices across the State – each affiliated with a college or university.

**RECOMMENDATION #6:**

DAAS and the North Carolina Adult Day Services Association should promote these small business development resources, on an ongoing basis, on their web sites, including a direct link to SCORE ([www.score.org](http://www.score.org)), the Small Business Center Network ([www.ncccs.cc.nc.us/Business\\_and\\_Industry/sbcnmainpage.htm](http://www.ncccs.cc.nc.us/Business_and_Industry/sbcnmainpage.htm)), and the Small Business and Technology Development Center ([www.sbtdc.org](http://www.sbtdc.org)).

**Cost:**

DAAS budget neutral.

**RECOMMENDATION #7:**

The North Carolina Adult Day Services Association should piggyback its “Opening an Adult Day Center” workshop and/or its “Keep Your Center Open” workshop with the “How to Start and Maintain a Small Business” workshop sponsored by SCORE chapters across the State. The industry-specific training provided by the Association, combined with the small business offering, would provide a well-rounded, complete training package.

**Cost:**

None to DAAS.

**RECOMMENDATION #8:**

For other educational opportunities for adult day programs, DAAS should distribute the list of all certified adult day programs (and the contact information for the North Carolina Adult Day Services Association) to the nine area health education centers (AHEC) to add adult day programs to their mailing lists. The development of a collaborative relationship between AHEC, DAAS, and the North Carolina Adult Day Services Association would ensure that AHEC educational opportunities are responsive to the specific needs of the adult day services industry.

**Cost:**

DAAS budget neutral.

**FUNDING/FISCAL IMPACT**

**Issue:**

Inconsistency and lack of uniformity at the county level regarding Home and Community Care Block Grant (HCCBG) and State Adult Day Care Fund (SADCF) reimbursement guidelines, was another major topic of discussion during the regional training sessions and site visits. For example, reimbursement is based on enrollment versus attendance in some counties, but in other counties, reimbursement is based solely on attendance.

**RECOMMENDATION #9:**

For consistency and uniformity across counties, DAAS should offer an annual funding workshop for adult day programs receiving HCCBG and SADCF funds, and for individuals administering these funds at the county level. To be convenient and accessible, DAAS should conduct the annual training in the field on a regional basis, or use distance learning such as videoconferencing through AHEC or the creation of an on-line seminar (i.e., webinar).

**Cost:**

To be cost effective, DAAS should piggyback this annual funding workshop with the annual monitoring workshop.

**Issue:**

Any changes to administrative rules or standards affecting adult day programs may necessitate extensive training and outreach to programs, adult day care coordinators, adult day health specialists, and other affected parties. Any changes to administrative rules or standards may also have a fiscal impact on adult day programs.

**RECOMMENDATION #10:**

Prior to implementation, all revised administrative rules or standards should provide sufficient lead time for potential budgetary preparation and/or training and outreach.

**Cost:**

DAAS budget neutral.

**Issue:**

Adult Day Services Profile data revealed those scoring in the Danger Zone have an average capacity of only 18 participants (i.e., being able to serve only 18 people on any given day). Adult day programs in the Warning Zone have an average capacity of 22 participants. Research conducted by Partners in Caregiving has shown financial viability for adult day programs across the country equates to serving 40-50 people per day in non-profit programs, and 60-70 people per day in for-profit programs.

Since the participant capacity of a program is based on the amount of program space, the majority of adult day programs would need to relocate in order to be more financially viable. However, all adult day programs certified after January 1, 2003 must comply with the Department of Insurance regulations necessitating programs to have a sprinkler system in place (NC State Building Code, Volume 1-C). Programs certified prior to that date were grandfathered in. Relocation, however, to expand the program, requires compliance with this regulation. If another, affordable location does not have a sprinkler system already installed, compliance with this regulation is cost-prohibitive. Consequently, relocation for program expansion, with the goal of increasing participant capacity to ensure financial viability, may not be possible.

**RECOMMENDATION #11:**

To help improve adult day program financial viability, DAAS should continue to advocate with the Department of Insurance for a possible compromise on this regulation so that a sprinkler system is not required or is only required after a certain capacity.

**Cost:**

DAAS budget neutral.

**Issue:**

According to the standards for certification, adult day care homes are limited to serving a maximum of six adults in a single family dwelling, and adult day health homes are limited to serving a maximum of five. The Adult Day Services Profile data shows that 100% of the homes are in the Danger Zone: At Risk of Closing. As noted above, financial viability equates to a capacity of serving considerably more people per day than the number allowable in adult day care or day health homes.

**RECOMMENDATION #12:**

To help improve the financial viability of adult day care homes and adult day health homes, DAAS should consider revising the standards to allow more individuals to be served in single family dwellings, as long as the square footage requirement per participant can be met.

**RECOMMENDATION #13:**

In addition to the HCCBG and SADCF negotiated rate recommendations in the Reimbursement Methodology Study, DAAS should also explore the feasibility of a negotiated hourly rate (as opposed to a negotiated daily rate) for both HCCBG and the SADCF. A negotiated hourly rate establishes a consistent measure for consumers, funders, and reporting purposes at the State and Federal level.

**Cost:**

As discussed in the Reimbursement Methodology Study, a cost analysis study by DAAS would need to be conducted as to the impact of negotiated rates on service delivery. This could be done by DAAS staff and, therefore, would be budget neutral.

**PREDICTORS OF SUCCESS**

**Issue:**

To keep the doors open, financial viability of adult day programs revolves around predictors of success from a marketing, financing, and programming perspective – not only learning the information but also applying it! In addition, repetition is the key, with people needing people for ongoing technical assistance.

**RECOMMENDATION #14:**

DAAS should amend the requirements for program directors of adult day programs to include successful completion of adult day services management training. Such requirement should also apply to current adult day program directors; however, they should be given the option of testing out of the required training. Training should be documented and included as a part of the required employee file.

**Cost:**

The curriculum could be developed by the North Carolina Adult Day Services Association, in conjunction with Partners in Caregiving, and approved by DAAS. The Association and Partners in Caregiving would need to solicit grant funds to cover the cost of curriculum development. This recommendation would be budget neutral for DAAS.

Once a curriculum is developed and approved, DAAS would then approve interested and qualified organizations to conduct the training, but with no funds from DAAS to do so. The approved organizations would provide the training on a fee-for-service basis, and conduct the training annually (or more frequently depending on demand).

**Note:**

If this recommendation is implemented, North Carolina would be only the second State in the country to do so. DAAS should contact the Illinois Department on Aging and the Illinois Adult Day Services Association regarding their rationale for mandating such a requirement, and how the system works.

**RECOMMENDATION #15:**

As previously discussed, 94 of 106 certified adult day programs participated in this project. Of the 22 programs receiving a technical assistance site visit, 11 were identified as at-risk of closing, 10 (out of a total of 30) in the warning zone, and one in the safety zone. Partners in Caregiving research has demonstrated the necessity of follow-up technical assistance (1-3 years) for programs to become financially viable. Most programs need to be guided through recommendations for program growth connected to the predictors of success. To maximize on the training of adult day programs and on-site technical assistance provided to the 22 programs, follow-up site visits, mentoring, and project analysis needs to occur. Analysis would include a

post Adult Day Services Profile sent to the 94 programs participating in the project to assess the impact of the training. Analysis would also include whether or not the site visit recommendations were implemented and what impact they had on program growth. The follow-up project analysis data could then serve as the basis for future projects to support and sustain adult day programs in North Carolina.

**Cost:**

To implement this post adult day services training and technical assistance analysis, to develop a curriculum for mandatory adult day program director management training (Recommendation #14), and to develop a systems change package for federal and/or foundation grant funds, focusing on a strategic plan, a public awareness campaign, and a monitoring system study (Recommendation #1, #3, and #5), an estimated \$200,000 appropriation to DAAS would be needed for contractual arrangements with Partners in Caregiving.

### **FINAL COMMENTS**

Because the Special Provision funds were a major investment (no other State has funded such an endeavor), the priority now is to develop a System for Sustainability so that these funds are not just a one-shot deal. Building on the Reimbursement Methodology Study and the training and technical assistance that took place, these recommendations form the basis for a System for Sustainability to support and sustain adult day services in North Carolina.