



Testimony for 2026 Joint Legislative Budget Hearing on Health/Medicaid

Submitted by:

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Introduction

The New York State Adult Day Services Association (NYSADSA) represents Social Adult Day Care (SADC) programs across New York State. Our members serve older adults and adults with disabilities who rely primarily on Medicaid-funded community-based services to remain safely at home and connected to their communities.

SADC services are not an optional add-on to the Medicaid program. They are a cost-effective, caregiver-sustaining, institutional-avoidance service that supports some of the state's most vulnerable residents. Yet today, the SADC system is under significant strain due to policy decisions that were not designed with our service model—or our participants—in mind.

We would like to highlight six priorities that must be addressed in the State Fiscal Year 2026-2027 budget and accompanying Medicaid policy decisions.

1. MLTC Transportation Policy Is Creating a Financial and Access Crisis

Recent Managed Long-Term Care (MLTC) transportation policy changes have shifted the full responsibility for transportation onto SADC providers without adequate reimbursement or realistic implementation pathways.

Transportation is not ancillary to SADC—it is foundational. Many participants cannot attend without wheelchair-accessible or door-through-door transportation. Yet current MLTC transportation rates and assessment practices:

- Do not reflect actual costs for ambulette-level service.
- Fail to account for higher-acuity participants now entering MLTC.
- Create unsustainable financial pressure on providers.

As a result, programs are being forced to reduce attendance based on physical disability—not because services are unnecessary, but because transportation has become financially impossible to deliver.

NYSADSA urges the Legislature to:

- Require MLTC plans to reimburse transportation based on individual functional need, not flat or bundled rates.
- Ensure that transportation funding keeps pace with acuity and regulatory expectations.
- Prevent cost-shifting that undermines access to care.

Without action, transportation policy alone will destabilize the SADC network.

2. Medicaid MLTC Plans Should Not Be the Sole Arbiters of Quality and Oversight for SADC Programs

Currently, MLTC plans function as both payors and primary overseers of adult day services. This creates an inherent conflict of interest.

Plans:

- Control network participation.
- Conduct site evaluations.
- Determine remediation outcomes.
- Influence service design through contract terms.

Yet plans are not neutral regulators, and oversight standards vary widely.

NYSADSA supports independent, third-party oversight or accreditation to ensure:

- Consistent quality standards statewide.
- Separation between payment decisions and quality determinations.
- Transparency and fairness for providers and participants.

True accountability requires neutral oversight, not payor-controlled compliance.

3. DOH HCBS Final Rule Oversight Has Become Overly Prescriptive and Inequitable

While NYSADSA supports strong oversight and accountability, the Department of Health's (DOH) current approach to Home and Community-Based Services (HCBS) compliance for SADC programs has become overly prescriptive and disproportionate, particularly with respect to person-centered service planning.

The Department's current oversight approach has moved beyond quality assurance into regulatory overreach.

SADC programs are being cited out of compliance for failing to meet MLTC-level person-centered planning requirements, despite having no control over the care plan and no medical authority—while MLTC plans are not consistently held to the same standard as they should be by federal law.

This imbalance is contributing directly to the closure and contraction of community-based programs. Oversight that should be focused on the quality and safety of services is instead driving providers out of the system, reducing access to care and undermining New York State's commitment to community-based long-term care.

4. Enhanced Adult Day Model for Individuals with Dementia: Addressing the Service Gap

Many individuals who would be best served in Nursing Home Transition and Diversion (NHTD) Structured Day Programs (SDPs) are unable to access them due to:

- NHTD waiver enrollment caps.
- Administrative and eligibility barriers.
- Limited geographic availability of SDPs.

As a result, these individuals are increasingly placed in MLTC-funded SADC programs, even though their needs exceed the traditional social model.

These participants often require:

- Enhanced supervision and cueing.
- Hands-on personal care.
- Dementia-capable programming and staffing.
- Structured, goal-oriented daily supports.

Yet under current policy, there is no recognized enhanced adult day service option within MLTC to safely and compliantly serve this population.

NYSADSA's Proposed Solution

NYSADSA has proposed a practical, policy-aligned solution that builds on existing DOH precedent:

- Recognize Enhanced SADC / SDPs within MLTC, modeled on DOH-approved NHTD SDPs.
- Permit enhanced staffing ratios, training requirements, and oversight appropriate to dementia and higher-acuity populations.
- Include qualified personal care aides for personal care services level 2.
- Maintain full HCBS compliance, while allowing reasonable modification that reflects cognitive, clinical, and safety realities.

This proposal does not create a new service. It formally recognizes and applies an existing, proven, DOH-approved model to a population that is already being served through MLTC.

5. Enrolling SADC as a Medicaid Provider

Recent findings from the State Comptroller make clear that the challenges facing SADC are structural—**not provider-driven**.

Although SADC has been a covered Medicaid benefit for more than a decade, SADC programs are not enrolled Medicaid providers. Instead, oversight is fragmented across multiple MLTC

plans, resulting in inconsistent monitoring, data gaps, and questionable payments—while programs face duplicative and often conflicting compliance demands.

The Comptroller’s February 2026 audit explicitly recommends that DOH establish SADC as an enrollable provider type. This would give the State a direct line of sight into who is operating, where services are delivered, and whether quality and safety standards are being met.

Provider enrollment would strengthen accountability, improve data integrity, and allow oversight to focus on quality of services and participant safety—rather than paperwork exercises that are contributing to provider instability and program closures.

NYSADSA urges the Legislature to act on the Comptroller’s recommendation and direct the Department to move forward with SADC enrollment as part of Medicaid system reform. This is not about adding regulation—it is about fixing oversight so community-based services can remain viable for the people who depend on them.

6. Protecting the SADC Direct Care Workforce

SADC programs serve the same Medicaid population as personal care, home care, and the Consumer Directed Personal Assistance Program—older adults and individuals with significant functional and cognitive needs.

Yet despite delivering hands-on direct care every day, the SADC workforce is excluded from the minimum home care wage and wage parity protections that apply to those other services, particularly downstate.

This inequity has real consequences. SADC programs are often located in underserved communities and intentionally recruit from the local workforce. These are jobs that support economic stability in neighborhoods that need it most. But providers cannot compete for staff when workers doing comparable work earn significantly more in other Medicaid-funded settings.

At the same time, SADC programs are facing rate reductions of \$5 to \$25 per participant per day and have received no rate increase in more than seven years. The math simply does not work.

NYSADSA urges the Legislature to extend State-funded direct care workforce wage protections to SADC, so these programs can retain staff, maintain quality, and remain open. Workforce stability is quality of care—and without action, access to adult day services will continue to erode.

Conclusion

SADC keeps people out of nursing homes, addresses food insecurity, supports exhausted caregivers, and stabilizes communities. But policy misalignment—particularly in transportation, eligibility, oversight, and HCBS implementation—is pushing the system to a breaking point.

NYSADSA urges the Legislature to:

- Align MLTC policy with participant acuity.
- Ensure that transportation funding is realistic and fair.
- Establish independent oversight mechanisms.
- Recognize enhanced adult day models in MLTC for individuals with dementia.

With thoughtful adjustments, New York can continue to lead in community-based care. Without them, we risk losing a critical part of our long-term care infrastructure.

Thank you for the opportunity to testify. We look forward to working with you.