



**EL DORADO COUNTY  
DEPARTMENT OF HUMAN SERVICES**

---

**Doug Nowka  
Director**

MEMO

TO: El Dorado County Board of Supervisors  
FROM: Doug Nowka, Director of Human Services  
DATE: October 23, 2008  
SUBJ: Senior Day Care Program Budget and Operations

Human Services is recommending implementation of a plan comprised of several actions relative to the Senior Day Care Program to address the fiscal integrity of the Program and ongoing availability of this critical service during the current and future fiscal years. Senior Day Care offers two related benefits to the community, a comprehensive program of day care that helps dependent seniors and adults to live at home and remain functional to the extent possible, and respite for their care providers from the 24/7 duties associated with caring for a family member in the home.

Escalating operational costs, including \$68,114 in County cost applied charges, combined with a small but relatively significant \$11,045 reduction in State Adult Day Care Resource Center (ADCRC) funding, unavoidable delays in opening the second site in El Dorado Hills, less than anticipated usage of the expanded hours options by current participants and recent reductions in average daily attendance, likely due to concerns relating to the current fiscal environment, have resulted in depletion of the fund balance available to support Senior Day Care and expand services to El Dorado Hills. This has resulted in an immediate need to take steps to improve the current and ongoing fiscal integrity of the Senior Day Care Program. Those steps would include:

1. Authorization for the Senior Day Care Program to return to fewer hours of program operation and implement a new fee structure reflecting increased fees effective January 1, 2009 with provisions for care-related surcharges and the option for further biannual fee increases as needed and as approved by the Director of Human Services;
2. An amendment to the Department's authorized Personnel Allocation, deleting 1.0 Seniors' Daycare Program Supervisor, 1.0 Senior Activity Coordinator and 2.81 Program Aides;
3. Approval to delay opening the second site at the El Dorado Hills facility until said opening is determined to be fiscally feasible; and
4. Approval of a Budget Revision within Fund 11-107 Community Services Special Revenue for Senior Day Care and ADCRC which reflects an overall decrease of \$301,040 in revenues offset by a corresponding decrease in appropriations resulting from staffing reductions and the delay in opening the El Dorado Hills site. \$11,045 represents a decrease in State ADCRC revenues. \$217,802 of the total reduction represents costs associated with the opening of the El Dorado Hills site.

Proposed actions are expected to result in projected revenues covering anticipated operational costs as a result of increased fees, staffing reductions and other cost containment measures, taking into consideration a probable short-term decrease in the average daily attendance, with no change to the current Net County Cost.

Background:

The Senior Day Care Program is funded primarily by fees for service, State ADCRC funding, MAA revenues and community donations, augmented by occasional grants and currently a small \$15,552 General Fund contribution.

The Senior Day Care Program has operated successfully since 1989 on a fee for service basis. A new fee structure was approved by the Board in April of 1997, establishing daily fees for regular attendees, on a sliding scale as required by one of the State funding sources based on frequency of attendance, with a slightly higher agency reimbursement rate and with provision for an annual increase of \$1.00 per day to offset annual inflation. The basic rate structure had not varied since 1997. Members reserve days and pay in advance, which allows for full utilization of space and staff. Agencies that provide payment for their eligible clients to attend Senior Day Care operate with funding sources that require payment after services are provided, necessitating a higher agency rate.

On April 29, 2008, Resolution 105-2008 authorized the Senior Day Care Program to expand hours of operation effective July 1, 2008 to 7:30 am through 5:30 pm, to better serve the needs of working caregivers, and approved a new fee schedule that incorporated increased rates for participants taking advantage of the longer program hours to offset increased staffing costs resulting from the expanded hours of operation at both the Spring Street facility and the El Dorado Hills facility once operations commenced at that site, which was expected to occur well before end of the 2008 calendar year.

Proposal Detail:

The Department proposes to rescind the current expanded hours options, reinstating standard program hours of 8:30 a.m. to 4:30 p.m., with a daily extended hours fee of \$10 for participants scheduled to be picked up between 4:30 p.m. and 5:30 p.m. This will enable the few working caregivers who have taken advantage of the after hours option to continue to pick up participants at the end of their work day while covering staffing costs.

Sliding scale rates, which are based on the number of monthly attendance days, will each increase by an average of \$6 daily. A surcharge of \$3 or \$5 based on higher levels of care required for each participant will be added to the daily rate and will be determined based on a functional assessment conducted at enrollment and reassessed at least biannually. This will result in an increased daily cost to participants ranging from \$5 to \$22 based on frequency of attendance, after-standard-hours pickup and the level of care required. This moderate increase in daily fees maintains a rate that is below or at the low end of the \$61 to \$80 average daily cost for Adult Day Care services in California. The new fees will correlate with the individual needs of the members and will promote a balanced budget while providing a safe and protective environment with staff to client ratios within the minimum range recommended by licensing requirements. Respite services will now be available on an as-requested basis dependent on space and staffing availability. The cost for this new service will be established at \$42 for one to four hours and \$56 for up to eight hours. The Department Head will be authorized to implement additional daily fee increases not to exceed \$5 biannually effective on July 1<sup>st</sup> and January 1<sup>st</sup> of each year based on the current fiscal environment to address the ongoing fiscal integrity of the Senior Day Care Program. Implementing the new schedule and fee structure effective January 1, 2009

will enable staff to provide adequate notice to current participants to allow them to consider and exercise attendance options.

Proposed reductions in the Department's authorized Personnel Allocation are necessary primarily due to recurring delays in opening the El Dorado Hills site. Staffing levels had been ramped up to provide oversight and appropriate staff to client ratios at both locations. Opening of the El Dorado Hills site and staffing level requirements can be assessed and reconsidered once the current fiscal environment improves, planned outreach efforts result in increased average daily attendance and the Senior Day Care Program establishes a sufficient fund balance.

A Budget Revision will reflect an \$11,045 decrease in State ADCRC funding. The remaining \$289,995 decrease will represent reductions in staffing and adjusted fee revenues based on projected average daily attendance levels, partially offset by increased fees, and savings resulting from delaying opening of the El Dorado Hills site.

Implementation of the recommended actions is expected to help achieve the goal that Senior Day Care operational costs be fully offset by available outside revenue resources. The actual outcome of these actions is dependent on realization of anticipated and budgeted levels of daily attendance. Assuming the realization of substantial increased average daily attendance by the end of the fiscal year resulting from intense outreach efforts combined with ongoing County General Fund support, the Department will be able to continue provision of vital Senior Day Care services. The alternative to implementation of these actions would be the immediate closure of the Senior Day Care Center, further staffing reductions (5.69 FTE) and the need for current clients to seek less appropriate and more expensive care options.