



Honorable Council members,

04/09/24

On behalf of Montgomery County Adult Medical Day Care Coalition, whose members provide multicultural and socially-appropriate medical day care services to over 1,500 elderly and disabled adults in our County on daily basis, we like to thank you and the County Executive for your continued support and recognition of the importance of medical day care services for our elderly and disabled adult populations.

As you know, Adult Medical Day Care (AMDC) are primarily Medicaid providers and as such are prohibited from passing along any increased costs of operations (such as those associated with the County minimum wage increase, or the recent historic inflation) to their participants. AMDCs also cannot set their own Medicaid rates, and thus depend entirely on the State and County for sufficient funding to deliver care to our most vulnerable populations. That is why in 2017, when the Council voted to increase the County's minimum wage to above that of the State's minimum wage, a budget line-item was created to provide supplemental gap funding to help ensure that Montgomery County AMDCs (who are facing higher costs of operations than those in other counties) can continue to function and deliver care and support to our growing aging and disabled population.

County Effective AMDC Wage	State Wage	FY25 Gap Funding Total Request	New AMDCs	Existing AMDCs
\$ 18.5	\$ 15	\$ 3,009,576	\$ 200,144	\$ 2,809,432

For the FY25 budget, we have two new culturally-specific AMDC centers that have begun operations after the Covid pandemic, and thus were not included in the original list of AMDCs that currently receive County supplement. These Centers have reached out to the Coalition citing their challenges, and that is why we are asking that the County Council approve an increase in the baseline for the amount of \$200,144 to include these two new Centers in the supplement for FY25.

Furthermore, we have updated our annual calculations for the supplement needed to reflect the current realistic "effective wage" that AMDCs are paying for their staff. We are requesting an amount of \$2,809,432 for the existing AMDCs receiving the supplement. **This brings our total AMDC supplement request to \$3,009,576 for FY25.**

The current amount proposed in County Executive's budget reflects a 3% increase on the old baseline, which was underfunded in FY24 due to unprecedented budget shortfalls. That is why it is even more important for the County to adjust the baseline properly in FY25, so that we can have a reliable gap funding for AMDCs. The difference between the C.E. proposed supplement and our calculations based on real costs is nearly \$600,000.

We request that the County Council approve the above requested supplement amount and consider it as "high priority" as it is essential for continued AMDC operations in Montgomery County.

Afshin Abedi, Ph.D.
President

Maryland Association for Medical Adult Day Services (MD-MADS)