

MOTION BY SUPERVISORS JANICE HAHN AND  
SHEILA KUEHL

November 12, 2019

**Addressing the Ongoing Board and Care Crisis**

Adult Residential Facilities (ARFs) and Residential Care Facilities for the Elderly (RCFEs) in Los Angeles County more commonly known as “Board and Cares,” provide licensed, 24-hour/day staffed residences with support for individuals who are unable to live independently and require care and supervision. As such, ARFs and RCFEs are important living environments for many individuals with a diagnosis of Serious Mental Illness (SMI), non-complicated medical comorbidities, and psychosocial challenges who experience an ongoing risk of homelessness. ARFs and RCFEs that accept low-income residents at the “SSI rate” are in financial crisis due to increasing operating costs and extremely low reimbursement rates. Low income residents pay for ARFs/RCFEs with their monthly Supplemental Security Income (SSI) Benefits. The current SSI rate is \$1058 per month per individual which equates to \$35 dollars a day. The rate is used to cover the cost of room and board, meals, supervision, care, insurance, staff wages, facility upkeep, license fees, and other expenses. The high operating costs and low reimbursement rates are not enough to sustain facility operations leading to low staff to client ratios, limited programming, rapid facility closures and an overall decline in capacity at a time of urgent need.

**MOTION**

SOLIS \_\_\_\_\_

RIDLEY-THOMAS \_\_\_\_\_

KUEHL \_\_\_\_\_

BARGER \_\_\_\_\_

HAHN \_\_\_\_\_

On September 11, 2018, the Board of Supervisors (Board) directed the Health Agency to convene a stakeholder process to understand how to best serve low-income ARF and RCFE clients, and how to preserve and grow the provider network. The resulting October 2019 Stakeholder Report captured the providers' financial need, impact on operations and service delivery, and recommendations to meet the above goal of preserving and expanding the provider network.

The report also identified the ever-growing need of these licensed facilities within the continuum of permanent housing. There is a significant unmet need for this type of housing placement among various populations including: highly vulnerable individuals with serious mental illness experiencing homelessness; individuals who are ready to transition to a less-restrictive setting from a Skilled Nursing Facility (SNF) or Institute for Mental Disease (IMD); and people who are on the Medi-Cal Assisted Living Waiver waitlist; all of whom require this level of care to maintain stable housing. Estimates indicate that 25,000 low-income Angelenos need the housing and services provided by ARFs and RCFEs. The State estimates that only 10,400 individuals are currently residing in these licensed facilities paying the SSI rate. While these figures are only estimates, they point to a potential gap of 14,600 beds that accept low-income individuals paying the SSI rate.

Currently, the Department of Health Services (DHS) and the Department of Mental Health (DMH) operate several programs that provide resources, including enhanced monthly rates, to a limited number of ARF and RCFE residents who either experienced homelessness or who have a mental health diagnosis. These three programs: DMH Enriched Residential Care Program, DMH Whole Person Care Program, and DHS Enriched Residential Care Program serve a total of 2,000 clients at 182 facilities.

Based on the October 23, 2019 Health Departments' response to the Board Motion and the accompanying 2019 Stakeholder report, stabilizing the operators' financial sustainability was identified as the highest priority. The October 2019 Stakeholder report recommends taking active steps in improving the operations of these facilities by doubling DHS and DMH's enhanced rate programs using a tiered payment model, exploring collaborative efforts to expand sources of operating funds for facilities that serve low-income individuals, and identifying one-time funding for capital improvements as it is necessary to help sustain operators who have deferred maintenance needs. The report also recommends to do the following: continue advocacy at the State level to raise the SSI rate; encourage the California Department of Health Care Services to incentivize Medi-Cal health plans to pay for services at these facilities in lieu of more-costly inpatient or institutional care; expand system capacity; create a real-time bed tracking tool to help identify and fill vacant beds; and create an operator membership association to enable them to better serve low-income residents, network, learn, and contribute to policy advocacy.

ARFs and RCFEs are a critical housing resource for the County's most vulnerable residents. Without the safety net of these programs, vulnerable residents will have no other place to live and may face institutionalization, incarceration, and/or homelessness.

**WE, THEREFORE MOVE** that the Board of Supervisors instruct the Director of the Department of Mental Health (DMH), in coordination with the Director of the Department of Health Services (DHS) and the Chief Executive Officer (CEO), to identify funding for Adult Residential Facilities and Residential Care Facilities for the Elderly (ARF and RCFE) operations, capital improvements, and other activities to preserve and expand the number of beds serving low-income individuals and report back to the Board in 30 days with an implementation plan and every 180 days thereafter.

**WE, FURTHER MOVE** that the Board of Supervisors instruct the CEO, in coordination with DMH, DHS and DPH, to support the preservation and expansion of low-income Adult Residential Facilities and Residential Care Facilities for the Elderly and report back on the following actions in 90 days and every 180 days thereafter:

1. Develop a strategy that will preserve existing bed capacity and that will expand the number of people benefitting from the Housing for Health and DMH enhanced rate programs, using a tiered payment model for high acuity clients;
2. Direct DHS and DMH to collaborate with CEO Legislative Affairs and Intergovernmental Relations to identify and report back on opportunities for advocacy at the State level to improve funding for ARFs and RCFEs;
3. Collect and distribute quarterly data on facility closures; and
4. Collaborate with the Center for Strategic Partnerships to engage philanthropy to increase financial support for ARFs and RCFEs serving low-income individuals.

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CATEGORIES: (Please check  those that apply)

- 1. Child Welfare
- 2. Community and Youth Empowerment
- 3. County Services
- 4. Economic Justice
- 5. Economic and Workforce Development
- 6. Education
- 7. Environment
- 8. Fiscal
- 9. Governance
- 10. Health
- 11. Homelessness
- 12. Immigration
- 13. Public Safety
- 14. Social Justice and Human Rights
- 15. Technology and Data
- 16. Arts, Culture, and the Creative Economy
- 17. Legislation
- 18. Parks and Open Space
- 19. Planning/Land Use
- 20. Transportation
- 21. Veterans