



DEPARTMENT OF MENTAL HEALTH

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June 5, 2023

TO: Supervisor Janice Hahn, Chair
Supervisor Hilda L. Solis
Supervisor Holly J. Mitchell
Supervisor Lindsey P. Horvath
Supervisor Kathryn Barger

FROM: Lisa H. Wong, Psy.D.
Director

SUBJECT: **ADDRESSING THE ONGOING BOARD AND CARE CRISIS
(ITEM NO. 2, AGENDA OF NOVEMBER 12, 2019)**

This memorandum is to provide an update on the continued efforts and initiatives by the Health Departments to support and sustain licensed residential care settings including Adult Residential Facilities (ARFs) and Residential Care Facilities for the Elderly (RCFE) as directed in the Board Motion passed on November 12, 2019. This report will provide status updates on the licensed residential care system in Los Angeles County as well as various projects implemented by the Health Departments to ensure that licensed residential care facilities serving individuals with complex medical and mental health needs can continue to operate despite inadequate reimbursement rates. This includes updates on the following:

- 1) Development of the Mental Health Resource Location Navigator (MHRLN) which is utilized by licensed residential facility operators and service providers as a real-time bed tracking tool;
- 2) Efforts by the Department of Public Health - Substance Abuse Prevention and Control (DPH-SAPC) to increase substance use disorder (SUD) services at licensed residential facilities;
- 3) Development and growth of the Licensed Adult Residential Care Association (LARCA), a membership association for providers of licensed residential care;
- 4) Planning and implementation of a Capital Improvements Program for licensed residential facilities and its role in supporting new funding opportunities;

- 5) Funding opportunities at the State level including the release of \$805 million in Community Care Expansion (CCE) Program funding for the acquisition, construction rehabilitation and preservation of adult and senior care facilities; and
- 6) Recent facility closures and their impact on overall system capacity.

MHRLN

The Department of Mental Health (DMH) is in the final stage of transitioning the current MHRLN portal, which provides information about bed availability at licensed residential care facilities, to a public-facing portal that will allow County service providers to access MHRLN via the DMH website. This will negate the need for service providers to register for MHRLN access and expedite the process of locating an available bed for clients. It will allow service providers to access an expanded search function to find the most appropriate licensed residential care facility for their clients based on categories such as Service Planning Area (SPA), age and specialty-care services provided by the facility including hospice and memory care. Facility owners will also be able to log into the system via this public webpage to update their bed availability. DMH worked with the Department of Health Services (DHS) to develop the new portal and has solicited feedback from County service providers and LARCA. DMH plans to launch the public-facing portal in July 2023.

SUD Services

As previously reported, DPH-SAPC has been working in collaboration with DHS to continue efforts to provide onsite SUD services at select licensed residential facilities, including ARFs and RCFEs, that serve recipients of Supplemental Security Income (SSI) and demonstrate a high need for support around SUDs. This program was initially piloted at a facility in Pasadena serving both DHS and DMH clients and has made a positive impact. DPH-SAPC now has SUD providers implementing services at five sites serving DHS and DMH clients (Alvarado Care Home in Pico Union, Lone Star Board and Care - Tujunga in Tujunga, Lone Star Board and Care - Manhattan in Angeles Vista, Pasadena Adult Living in Pasadena, and Royal Palm Crest in the Jefferson Park area) and is working to secure services for four additional sites. DPH-SAPC anticipates that the pending sites (Cedars Assisted Living in Northridge, Golden Assisted Living in Sylmar, Lone Star Board & Care - Crenshaw in View Park, and The Manor in Santa Monica) will begin implementing services as soon as Memorandums of Understanding (MOUs) between the SUD providers and ARFs/RCFEs are completed. Prospective SUD providers have also reported challenges resulting from qualified workforce shortages. To address these challenges, DPH-SAPC has updated the eligibility requirements of qualified staff to provide SUD treatment services in the community through Field-Based Services. DPH-SAPC anticipates that these changes will expand the pool of eligible SUD provider

partners and workforce members to facilitate more efficient partnerships and service delivery.

LARCA

LARCA, a membership association for licensed residential facilities that serve low-income residents and residents with serious mental illness, is now in its second year after being developed by the National Alliance on Mental Illness, Greater Los Angeles County (NAMI GLAC) through a contract with DMH. Bennie Tinson, MPP, continues to serve as Executive Director, and the membership has elected a Board of Directors, sworn in on August 22, 2022, as part of the requirements to obtain nonprofit status as a separate 501©(3). A 501(c)(3) application has been submitted to the State by LARCA, and they are awaiting final approval.

LARCA's membership has grown to 235 members (135 ARFs and 100 RCFEs) as of April 15, 2023. They continue to retain 100 percent of their membership since inception. LARCA has developed membership committees to focus on the following areas: Corporate Relations/Development, Membership, Economic Development, Marketing, Programming/Social, Finance and Government/Pubic Affairs. In addition to the Executive Director, LARCA has hired a Director of Member Services, as well as, two newly-created part-time Member Outreach Coordinators funded through a grant from Cedars-Sinai. LARCA is developing a digital and direct mail marketing campaign with the expectation of doubling the association's membership by July 2023. LARCA is also developing an insurance program to offer liability, property and workers' compensation insurance at a discounted rate to facility owners. LARCA members will also be able to access free continuing education trainings through the association. In addition, a main focus of LARCA continues to be advocacy for an increase to the State's Nonmedical Out-of-Home Care (NMOHC) Rate, which is the rate paid to licensed residential facilities by residents who have SSI and that currently stands at only approximately \$44 per day or \$1,324.82 per month. LARCA members have engaged in outreach and advocacy efforts with community organizations and elected officials across the state on this issue.

DMH and NAMI GLAC are engaged in meetings to discuss LARCA's sustainability plan as the association nears the end of its contract with DMH and NAMI GLAC. DMH is considering a one-year extension of its contract with NAMI as LARCA works to seek other funding through philanthropy and implementation of an annual membership fee.

Capital Improvements Program

As reported in previous notifications to the Board, DMH and DHS had been working in partnership with philanthropic partners on a plan to implement a Capital Improvements

Program for licensed residential facilities using \$11.2 million in funding allocated by DMH. However, with the development of the CCE program outlined below, the Capital Improvements Program will now be integrated into this new, larger program supporting licensed residential facilities. To align with these efforts, Cedars-Sinai invested \$5 million, which is administered by California Community Foundation (CCF). As previously reported, CCF is using these funds to contract with Genesis LA and Brilliant Corners to conduct physical needs assessments at a select number of licensed residential facilities to determine which health and safety-related capital improvement needs should be prioritized and to complete financial modeling on what it actually costs to provide quality licensed residential care services. These physical needs assessments will now be used as part of the eligibility criteria for CCE Capital Projects funding and to determine the capital improvements needed for those that apply for the CCE funds. These dollars also are being used to fund The Future Organization to conduct research exploring the services, needs and capabilities of ARFs and RCFEs in the County. The results of their comprehensive research study will be released soon and will outline the experiences of operators and residents of licensed residential facilities. The research results can be used to inform nonprofits and government entities about the demographics, experiences and needs of these facilities and the populations they serve.

CCE Program

As previously reported, the CCE Program was established through Assembly Bill (AB) 172 and includes \$805 million in funding statewide that can be used for the acquisition, construction, rehabilitation and preservation of adult and senior care facilities that serve SSI recipients, adults with disabilities, and people experiencing homelessness. Specifically, 75 percent of this funding is dedicated for acquisition and construction projects serving the target population and is being distributed through a competitive process statewide. Applications for this portion of the funding will continue to be accepted by the State through June 1, 2023.

A CCE Workgroup that includes DMH, DHS, and the Chief Executive Office (CEO) Homeless Initiative was developed in late 2021 after the announcement of the program by the State and has continued to meet to implement the County CCE strategy focused on supporting the community network that is applying for CCE acquisition and construction funding. As previously reported, CCE applicants are being offered the opportunity to enter into a Partnership Agreement (PA) with the County, which will indicate to the State that the County is in support of the project and will lower the match requirement to 10 percent if needed. The County will benefit from the PA as the partnering entity will be required to notify the County when any new beds developed through CCE funding become available in order to allow the County to fill those beds with eligible clients. There are currently 30 executed PAs. CCE Workgroup members have

provided outreach to these facilities to assist with linkage to Advocates for Human Potential (AHP), the third party organization contracted by the State to manage the initial project submissions, and provide reminders to complete their submissions prior to the June 1, 2023, application deadline. There are currently five awardees in Los Angeles County, with a total award amount of \$41.1 million and 276 proposed new beds. Of these awardees, three have executed PAs with the County. DMH is working with the California Department of Social Services (CDSS) to ensure Los Angeles County has enough applications to expend the full amount of funds set aside for the region.

The remaining 25 percent of CCE funding has been directly allocated to counties for the rehabilitation and preservation of current adult and senior licensed residential care facilities within the existing system of care. As previously reported, a CCE Preservation Program Notice of Funding Availability was released in June 2022, and DMH responded to accept the funding on behalf of Los Angeles County. This program consists of two components: Operating Subsidy Payments (OSP) and Capital Projects (CP). OSP funds are intended to provide operating subsidies to existing licensed residential care facilities to cover potential or projected operating deficits and help avoid closure. CP funds will be used to preserve facilities in need of repairs or required upgrades. Facilities accepting OSP funds will be deed restricted to provide licensed adult and senior residential care for at least the length of time that the County will be providing OSP funds. Facilities accepting CP funds will be deed restricted for five years from the completion of the rehabilitation project funded through CCE. Los Angeles County was initially allotted \$19,654,821 in OSP funds and \$53,497,135 in CP funds. On January 4, 2023, Los Angeles County was awarded an additional \$19,863,912 in OSP funds and, on March 7, 2023, DMH was notified that Los Angeles County was being awarded an additional \$2,469,437 in OSP funds and \$2,063,839 in CP funds. This brings the total amounts to \$41,988,170 in OSP funds and \$55,560,974 in CP funds.

As required to receive the CCE Preservation Program funds, DMH submitted an Implementation Plan (IP) to the State in January 2023, which outlined the County's plan to design an application process and/or allocation methodology for OSP and CP funds, monitor the use of funds and outcomes and incorporate the prioritization criteria into fund distribution. DMH solicited feedback from facility operators in the creation of the IP, which was approved on April 18, 2023. DMH is currently in discussion with AHP to finalize the Program Funding Agreement between the County and AHP in order to receive the initial 25 percent disbursement of the CCE Preservation Program funds. DMH plans to use the previously mentioned \$11.2 million set aside for the Capital Improvements Program to meet the 10 percent match for the CP funds and to expand the number of facilities that will be assisted.

DMH will partner with the Los Angeles County Development Authority (LACDA) to implement and oversee the CP portion of the CCE Preservation Program. DMH and LACDA are in the process of finalizing a MOU that will be executed prior to the program's launch. LACDA is partnering with the National Development Council (NDC) to create an application portal for the CP funds. NDC will also provide training and technical support to facility operators prior to the opening of the application portal and during the application period. Applications will be reviewed by both NDC, LACDA, and DMH/DHS using a scoring rubric developed to determine facilities most at need. This scoring rubric will take into account number of current eligible residents served, SPA, current number of licensed facilities operating in the area, Homeless Count data, and data from the physical needs assessments. All potential applicants must be currently licensed facilities who serve residents who are homeless or at risk of homelessness and who receive SSI, State Supplementary Payments (SSP), or Cash Assistance Program for Immigrants (CAPI) benefits. Once awardees are chosen, LACDA will work with the facilities to create a Statement of Work and oversee the physical repairs of the facilities.

DMH plans to leverage the contract with Brilliant Corners held by DHS to administer the OSP funds. These subsidy funds will be awarded in a manner similar to the Enriched Residential Care (ERC) Program, providing subsidy payments to qualifying facilities on top of the monthly rent payments.

Facility Closures

As with the last report, Community Care Licensing Division (CCLD) has provided an updated list of ARF and RCFE closures that have occurred throughout the County, the majority of which appear to have been facilities that did not serve people experiencing SMI or recipients of SSI. This most recent list, which looks at the period between July 2022 and March 2023, indicates a total of 19 new ARF closures for a loss of 157 ARF beds and a total of 27 new RCFE closures for a loss of 355 RCFE beds. At this time, only partial data is included for Quarter 4 of 2022 and Quarter 1 of 2023, but full data will be included on the next report pending receipt from CCLD. Of the newly closed ARF and RCFE facilities, none served DMH or DHS ERC clients. The attached tables provide more details around these closures including the names and locations of the newly closed facilities and graphs showing continued closure tracking for ARFs from 2016 to present. The largest percentage of closures continues to be smaller facilities with six (6) or fewer beds.

Next Steps

The Health Departments continue to work to expand the County's efforts to support, strengthen and improve the quality of licensed residential care throughout Los Angeles

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County through the initiatives outlined in this report including MHRLN, LARCA and the CCE Program. As LARCA continues to evolve and grow, DMH looks forward to facilities strengthening their network of support and resources and expanding capacity to advocate for their needs and the needs of their residents. DMH eagerly anticipates the release of the public-facing MHRLN portal, which will make the system more accessible to both service providers and facility operators and will continue to ensure that facilities are able to operate at full capacity and that providers can more easily locate licensed community-based housing that best meets their clients' needs. Finally, the impending additional awards of CCE funds by the State directly to entities for expanded beds and the release of CCE Preservation funds to DMH for the launch of the CCE Preservation Program are critical for the expansion of the number of beds in our system and number of residents supported in licensed residential care facilities, which will further support the County's efforts to preserve the ARF and RCFE network. DMH looks forward to partnering with the CCE awardees and working with LACDA, DHS, and Brilliant Corners in implementing the CCE Preservation Program to support and preserve this valuable resource for some of the County's most vulnerable residents.

The next report update will be submitted on November 20, 2023. If you have additional questions, please contact me, or staff can contact Maria Funk, Ph.D., Deputy Director, at (213) 943-8465 or mfunk@dmh.lacounty.gov.

LHW:MF

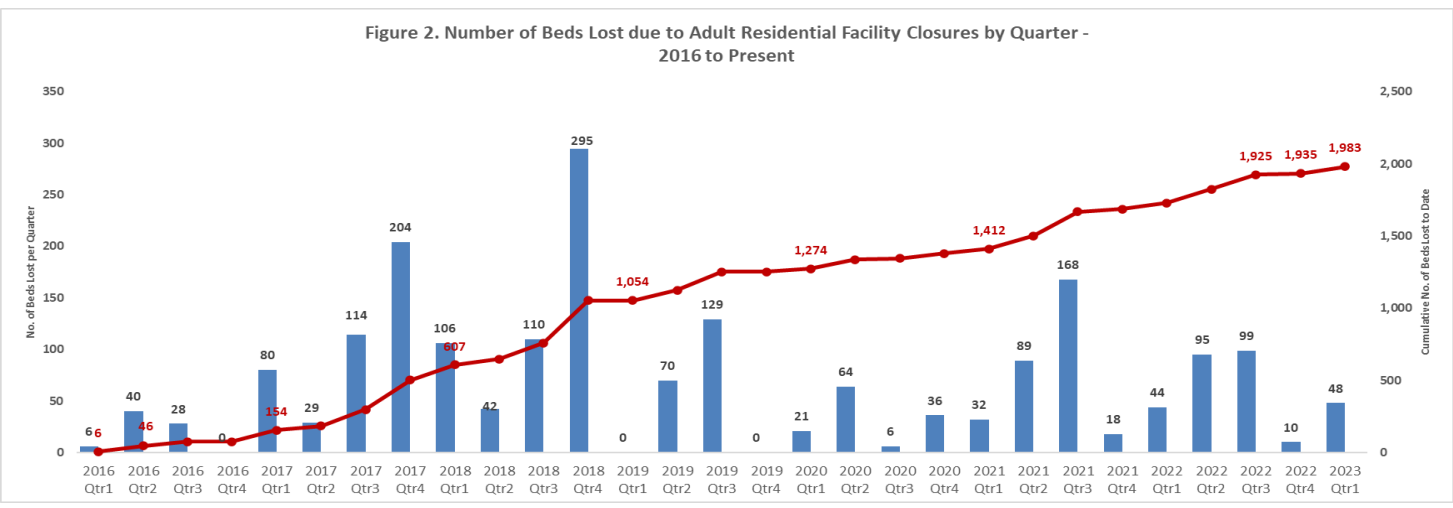
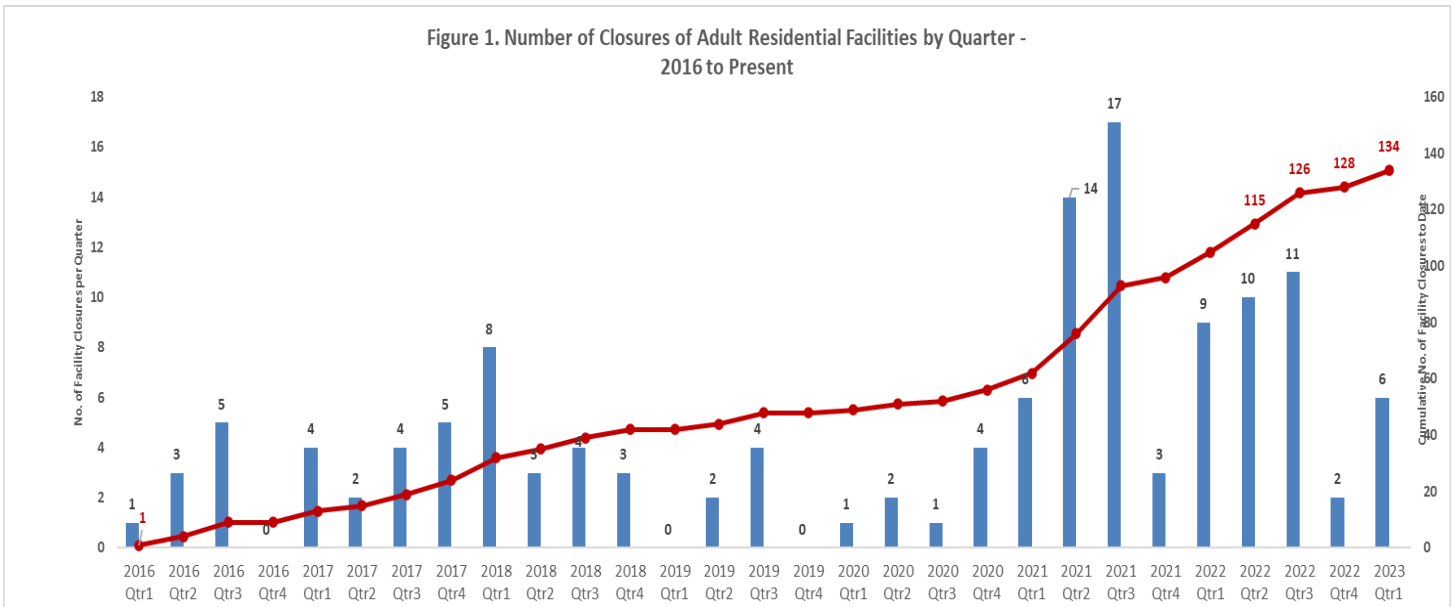
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c: Executive Office, Board of Supervisors
Chief Executive Office
County Counsel
Department of Health Services
Department of Public Health

Adult Residential Facility (ARF) Closures - July 2022 to March 2023							
Type	Name	Capacity	Address	City	Zip Code	SD	Closure Date
ARF	TRACEY'S PLACE II	4	134 W. 118TH ST.	LOS ANGELES	90061	2	7/7/2022
ARF	WELDON JAMES LLC #3	4	10331 S. HOBART BLVD.	LOS ANGELES	90047	2	7/21/2022
ARF	SUNRISE ADULT RESIDENTIAL CARE	6	246 E. 135TH ST.	LOS ANGELES	90061	2	7/22/2022
ARF	AUTUMN COTTAGE, INC. RESIDENTIAL 2	6	1412 N. MARIPOSA AVE.	LOS ANGELES	90027	1	8/16/2022
ARF	CLIMB, INC.	40	161 W. SIERRA MADRE BLVD.	SIERRA MADRE	91024	5	8/26/2022
ARF	CRUSE RESIDENTIAL	6	1957 N. EL MOLINO AVE.	ALTADENA	91001	5	8/27/2022
ARF	QUALITY RESIDENTIAL CARE, INC. 11	4	3811 WESTSIDE AVE.	LOS ANGELES	90008	2	8/31/2022
ARF	SCOBIE HOMES, LLC	4	9717 S. 2ND AVE.	INGLEWOOD	90305	1	9/6/2022
ARF	SORTO'S ADULT RESIDENTIAL FACILITY	4	2227 ALEXDALE LANE	ROWLAND HEIGHTS	91748	1	9/16/2022
ARF	FAIROAKS MANOR	16	1753 N. FAIR OAKS AVE.	PASADENA	91103	5	9/19/2022
ARF	44TH STREET RESIDENTIAL FACILITY	5	43894 44TH STREET WEST	LANCASTER	93536	5	9/26/2022
ARF	LOUISE HOUSE 4	4	36648 ROSE ST.	PALMDALE	93552	5	12/22/2022
ARF	CONTE'S RESIDENTIAL CARE	6	6895 CONTE'S ST.	PALMDALE	93552	5	12/22/2022
ARF	SAINT ANTHONY CARE HOME	6	18747 ALDERBURY DRIVE	ROWLAND HEIGHTS	91748	1	3/1/2023
ARF	AURORA'S GROUP HOME III	4	19066 BRASILIA DRIVE	NORTHRIDGE	91326	3	3/3/2023
ARF	AURORA'S GROUP HOME IV	4	19066 BRASILIA DRIVE	NORTHRIDGE	91326	3	3/3/2023
ARF	PEREZ FAM HOME	4	156 W. 234TH ST.	CARSON	90745	2	3/3/2023
ARF	TWIN PALMS CARE HOME	26	3000 CAZADOR ST.	LOS ANGELES	90065	1	3/13/2023
ARF	DEVELOPING MILESTONES	4	1301 E. 104 ST.	LOS ANGELES	90002	2	3/15/2023

Residential Care Facility for the Elderly (RCFE) Closures - July 2022 to March 2023

Type	Name	Capacity	Address	City	Zip Code	SD	Closure Date
RCFE	ARBOR GROVE CARE	6	14819 VALERIO ST.	VAN NUYS	91405	3	10/13/2022
RCFE	BENTLEY MANOR BY SERENITY CARE HEALTH	27	3425 MCLAUGHLIN AVE.	LOS ANGELES	90066	3	8/22/2022
RCFE	BENTLEY SUITES BY SERENITY CARE HEALTH	44	851 4TH STREET.	SANTA MONICA	90403	4	8/26/2022
RCFE	EDEN GARDEN B	6	5041 GREENBUSH AVE.	SHERMAN OAKS	91423	3	7/8/2022
RCFE	FELLI'S ASSISTED LIVING	6	12322 LULL ST.	NORTH HOLLYWOOD	91605	3	9/9/2022
RCFE	GOLDEN VALLEY CARE HOME	6	28001 CERO DRIVE	SANTA CLARITA	91350	5	9/12/2022
RCFE	GOLDEN YEARS	6	15822 MAYALL ST.	NORTH HILLS	91343	3	7/18/2022
RCFE	HARMONY VILLA ALTADENA RCFE	6	669 W. CALAVERAS ST.	ALTADENA	91001	5	8/2/2022
RCFE	HARMONY VILLA ROSEMEAD RCFE	6	9515 MARSHALL ST.	ROSEMEAD	91770	1	7/20/2022
RCFE	HENRIETTA'S LEVEN OAKS BY SERENITY CARE HEALTH	80	120 S. MYRTLE AVE.	MONROVIA	91016	5	8/26/2022
RCFE	MANSFIELD HOME	6	747 N. MANSFIELD AVE.	LOS ANGELES	90038	3	8/19/2022
RCFE	SAFWEY HOME FOR ELDERLY CARE	6	8808 ENFIELD AVE.	NORTHRIDGE	91325	3	9/8/2022
RCFE	SERENITY CARE HEALTH EVERGREEN	6	131 SEGOVIA AVE.	SAN GABRIEL	91775	1	8/23/2022
RCFE	SERENITY SENIORS HOME IV	6	14043 S. NORTHWOOD AVE.	COMPTON	90222	2	8/5/2022
RCFE	SHALOM ELDERLY CARE, INC. #2	6	5738 WILHELMINA AVE.	WOODLAND HILLS	91367	3	8/4/2022
RCFE	TENIS NEW BEGINNING	6	8523 TERHUNE AVE.	SUN VALLEY	91352	5	8/26/2022
RCFE	LOMITA TERRACE GUEST HOME	6	1711 W. 243RD ST.	LOMITA	90717	4	11/16/2022
RCFE	SOUTH CENTRAL RESIDENTIAL CARE NETWORK #2	6	1551 W. 80TH ST.	LOS ANGELES	90047	2	12/16/2022
RCFE	NATURAL LIFE ASSISTED LIVING	6	5933 KENTLAND AVE.	WOODLAND HILLS	91367	3	1/18/2023
RCFE	PROSPERITY ARTS & CRAFT INC	6	8538 WILBUR AVE.	NORTHRIDGE	91324	3	1/26/2023
RCFE	HOME OF SERENITY	6	173 E. ARROW HIGHWAY	CLAREMONT	91711	5	1/30/2023
RCFE	VENTURA CANYON CARE	6	7938 VENTURA CANYON AVE.	PANORAMA CITY	91402	3	2/14/2023
RCFE	MERIDIAN AT BELLA MAR	36	825 OCEAN AVE.	SANTA MONICA	90403	3	2/28/2023
RCFE	MERIDIAN AT OCEAN VILLA	36	413 OCEAN AVE.	SANTA MONICA	90402	3	3/3/2023
RCFE	DALY CARE	6	1159 RAYMOND AVE.	GLENDALE	91201	5	3/6/2023
RCFE	ROYALTY ASSISTED LIVING II	6	17326 LOS ALIMOS ST.	GRANADA HILLS	91344	3	3/10/2023
RCFE	VILLA MIRAGE INC.	6	2655 BARRY AVE.	LOS ANGELES	90064	3	3/27/2023



**Table 1.
Adult Residential Facility Closures by Facility Size –
2016 to Present**

Facility Size	Number of Closures	% of Total Closures
<= 6	95	71%
7 - 19	17	13%
20 - 49	12	9%
>= 50	10	7%
Total	134	100%