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DEPARTMENT OF MENTAL HEALTH
hope. recovery. wellbeing.

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December 18, 2019

TO: Supervisor Kathryn Barger, Chair
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Janice Hahn

FROM: Jonathan E. Sherin M.D., Ph.D.
Director

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

Background

On September 11, 2018, the Board of Supervisors (Board) issued a motion instructing the Department of Mental Health (DMH), Department of Public Health Substance Abuse Prevention and Control (DPH-SAPC) and the Department of Health Services (DHS) to begin a body of work aimed at addressing the crisis of Adult Residential Facilities (ARFs) struggling financially and ultimately closing across Los Angeles County. Since that original Board motion, the Departments have engaged in extensive work which has engaged diverse stakeholders to better understand the nature of this crisis and implemented programs providing Enhanced Service Rates for high acuity clients residing in these facilities. Following the Departments' most recent report back to the Board on October 23, 2019 that included the attached stakeholder report entitled "Sustaining a Vital Permanent Housing Resource: Analysis and Stakeholder Input to Support Adult Residential Facilities (ARFs) and Residential Care Facilities for the Elderly (RCFEs) in Los Angeles County," on November 12, 2019 the Board passed a motion directing DMH, in coordination with DHS and the Chief Executive Office (CEO), to identify funding for ARF and RCFE operations, capital improvements and other activities to preserve and expand the number of beds serving low-income individuals and report back in 30 days with an implementation plan.

Funding and Implementation Plan

DMH is committed to the preservation of ARFs and RCFEs across the County as they provide a critical housing resource for some of the Department's most vulnerable clients who would likely become homeless or need a higher level care without this community based option. As such, the Department has identified \$11.7 million of one-time Mental Health Services Act (MHSA) funding which is available this fiscal year (FY) and is in addition to the \$12.0 million of MHSA and Whole Person Care funding that DMH has already allocated to this effort in FY 2019-20. Since the existing funding is already being utilized for program operations, rent for clients without an income and to provide an Enhanced Service Rate for eligible clients residing in ARFs/RCFEs, this newly identified one-time funding will be used for three of the primary stakeholder recommendations. While there is a need for more funding for Enhanced Service Rates, this is one-time funding and therefore will be used for projects that do not require an ongoing funding commitment. Following is the approximate amount of funding dedicated to each area and the related implementation plan:

- 1) \$11.2 million will be dedicated to a capital improvement grants program that will provide funding to ARFs and RCFEs which serve individuals who have a serious mental illness and other disabilities and that accept the Non-Medical Out-of-Home Care rate. This will allow facilities to address the ongoing issue of deferred maintenance that has resulted from years of underfunding. With this money facilities will be able to make needed repairs, renovate bathrooms and showers, paint, install air conditioning, replace carpets, and invest in newer computers and more efficient appliances. By providing this funding DMH hopes to mitigate deferred maintenance as a factor leading to additional closures. While this funding will support grants for many facilities serving low-income residents with serious mental illness throughout the County, it is not sufficient to support all of the facilities working with DMH and DHS clients. However, with this initial investment from DMH, there has also been strong interest from the philanthropic community to provide additional funding for this purpose. Once the Department is able to explore this interest and solidify commitments, we will provide more information to the Board in a future report. DMH will work with DHS to leverage its Capital Improvement Intermediary Program contract with Brilliant Corners to administer the grants. In early 2020, DMH and DHS will work together to develop and implement the solicitation process.
- 2) \$500,000 of the funding will be used to seed a membership organization for ARF/RCFE operators who serve low-income individuals. This will allow increased opportunities for collaboration between operators around training and best practices, as well as provide a space for the operators to come together to advocate for their collective needs.

- 3) An undetermined amount of funding may also be used for the creation of a bed vacancy management tool that will allow ARF/RCFE operators to post their vacant beds on a public facing centralized system. This will allow DMH and DHS providers, as well as Supplemental Security Income (SSI) recipients in need of this resource, to more easily identify appropriate, available ARF/RCFE beds as well as assist operators in filling facilities to full capacity to ensure no income is lost due to the inability to efficiently fill vacant beds. The amount of funding for this body of work is likely to be negligible as we are exploring the possibility of leveraging the existing SAPC Service Bed Availability Tool (SBAT), which is currently used to identify available substance abuse treatment beds, and adapt the system to fit the needs of this project. We are additionally exploring a DMH bed tracking system that is currently in development to see if it could be easily adaptable for this purpose.

Through these investments the Department will continue to support efforts to preserve this vital housing resource for our most vulnerable clients throughout the County.

Next Steps

DMH continues evaluating the extent to which the plans and funding described above, and any potential additional plans or funding, will fully address the intent of the Board's motion. Additional time is required to evaluate the sufficiency of the plans above, further options and potential funding needs, as well as, to align these plans with a variety of other efforts directed by the Board concerning increasing the Department's overall service capacity.

In addition, CEO, DMH, and DHS intends to collaborate and align future reports back on this matter under DMH letterhead. Accordingly, the 90-day and 180-day reports will provide updates on the status of the plans described above.

If you have additional questions, please contact me or Maria Funk, Ph.D., at (213) 251-6582 or mfunk@dmh.lacounty.gov.

JES:mf

Attachment

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

Sustaining a Vital Permanent Housing Resource:

**Analysis and Stakeholder Input
to Support Adult Residential Facilities (ARFs) and
Residential Care Facilities for the Elderly (RCFEs)
in Los Angeles County**

July 2019

Sadlon & Associates, Inc.

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Executive Summary

An Urgent Call to Action

Adult Residential Facilities (ARFs, for people ages 18 – 59) and Residential Care Facilities for the Elderly (RCFEs, for ages 60+) provide housing and critical support for individuals who are unable to live independently and who require nonmedical care and supervision. In addition to a room and meals, these licensed facilities provide assistance with activities of daily living (bathing, dressing, toileting), assistance with scheduling healthcare appointments, and medication oversight. These ARFs + RCFEs are an essential and often-overlooked resource in preventing and ending homelessness for Los Angeles County's most vulnerable residents.

There are approximately 3,200 of these facilities in Los Angeles County, ranging from under six beds to several hundred. Many that serve low-income individuals are in crisis due to rising real estate costs, increased minimum wage and other operating costs, and low reimbursement rates (\$35 a day or \$1,058 a month base rate for eligible people with low income). Untenable financials are leading to closures and declining system capacity at a time of increased demand. Recognizing this crisis, the Los Angeles County Board of Supervisors together with the County Health Agency launched a stakeholder process to improve the stability of and coordination among these important facility operators.

Time is of the essence: with another minimum wage increase that began on July 1, 2019 further straining finances, many operators indicate that they have depleted their options and may be forced to close. Their top priority is to receive a sustainable monthly reimbursement rate. In addition, many facilities would benefit from facility improvements to address deferred maintenance and sustain licensure.

The needs of ARF + RCFE operators and residents are well documented. The County has the opportunity to meet the needs of individuals relying on County services who live with mental illness and/or have experienced homelessness, while also expanding the availability of this type of housing for all low-income residents who require care and supervision. Supporting ARFs + RCFEs will improve the quality of life for many Los Angeles County residents, improve operator effectiveness, and expand facilities' capacities to serve. At the same time, advocacy at the state level must push for sustainable funding and supportive regulations.

Board of Supervisors Directive to Convene a Stakeholder Process, Sept 2018

In response to the urgent needs of the system of ARFs + RCFEs, the Los Angeles County Board of Supervisors unanimously approved a motion to stabilize and grow these facilities. The motion called for a stakeholder process to gather input on how to best serve existing Health Agency clients and how to prevent the loss of ARF + RCFE capacity more broadly. This parallels and complements ongoing work at the Health Agency to align processes that provide assessment, and tiered enhanced rates for clients who require this type of housing.

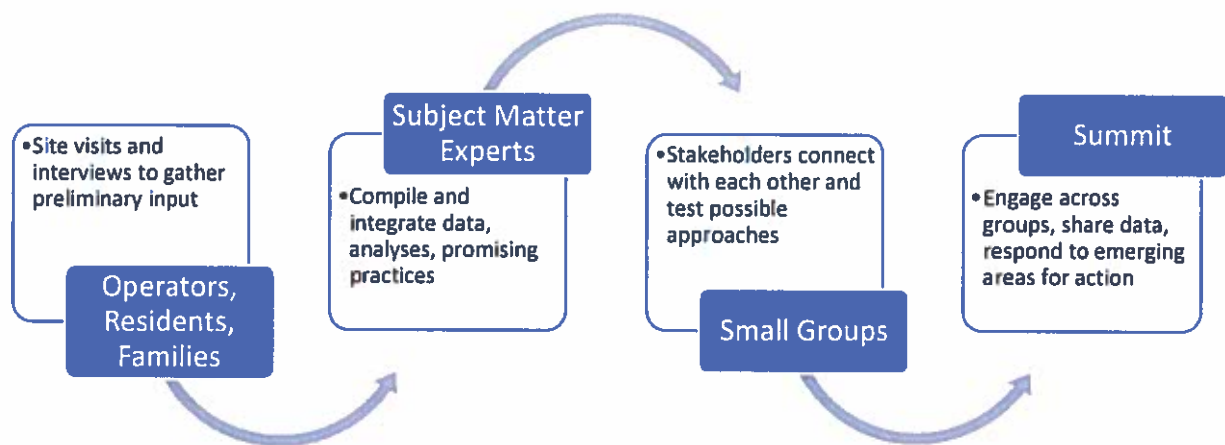
Overview of the ARF + RCFE Stakeholder Process

The goal of the stakeholder process was to identify ways to preserve and expand the stability, sustainability, quality, and capacity of ARFs + RCFEs in Los Angeles County. The process centered on the needs of people living with mental illness and/or experiencing or at risk of homelessness, while recognizing that stabilizing this housing resource benefits many others as well.

Purpose:

To sustain, improve, and expand housing for vulnerable low-income adults and seniors, including those with serious mental illness and those experiencing homelessness, who require non-medical 24/7 care and supervision.

This stakeholder process wove input from a wide variety of experts together with existing data and analysis in an iterative process starting in January 2019 and continuing through June 2019.



Resulting outreach gathered direct input from 192 stakeholders:

- 48 ARF + RCFE operators
- 47 government agencies
- 28 service providers
- 17 members of health care associations
- 13 residents, family members, and other advocates
- 39 others

A total of ten **small group stakeholder meetings** convened in diverse corners of Los Angeles County including Antelope Valley, San Fernando Valley, San Gabriel Valley, East Los Angeles, Downtown Los Angeles (three groups), South Los Angeles, Santa Monica, and Long Beach.

A **stakeholder summit** on May 8, 2019 drew 98 participants representing ARF + RCFE operators; consumers, family members, and advocates; a broad variety of government agencies and initiatives; healthcare provider associations; and a range of other service providers and interested parties. The purpose of the summit was to:

- Build connections among stakeholders
- Share information gathered in the ARF + RCFE stakeholder process
- Get further input on draft approaches to strengthen the system.

Summit participants heard the commitment of County Supervisors Janice Hahn and Sheila Kuehl to this effort; updates from the County Department of Health Services (DHS) and Department of Mental Health (DMH); a presentation from Community Care Licensing (CCL); and data collected through the earlier stages of the stakeholder process. In rotating small group discussions, attendees reviewed and provided deeper input to stakeholder ideas for strengthening the ARF + RCFE system.

Subsequent to the summit, two final work group discussions integrated guidance and input from sixteen diverse stakeholders to prepare a thoughtful and compelling set of actions based on the information gathered through the stakeholder process. These leaders, along with many respondents to an operators' survey, are committed to ongoing engagement with the Health Agency in acting on these imperatives.

Operators' Perspective – Survey Results

50 ARF + RCFE operators participated in an online survey. Invitees were identified through DHS and DMH lists of facilities, participants in the stakeholder process, and community outreach by the consultants. Respondents reflect a mix of both ARFs and RCFEs, facility sizes, longevity in the field, and payer, though they skew toward serving SSI residents. Insights are found in yellow text boxes throughout this report.

Summary of Stakeholder Input

To preserve and grow the system of ARFs + RCFEs in Los Angeles County that care for people who have experienced homelessness and/or experience mental illness, stakeholders identify the following six imperatives and related areas for action. See a detailed report of stakeholder input for each of these imperatives beginning on page 21.

1. Operator Financial Sustainability

- 1.a. Double the number of people to 4,000 benefiting from Housing for Health and Department of Mental Health enhanced rates, using a tiered payment model for high acuity clients
- 1.b. Expand other sources of operating funding available for facilities serving low-income residents
- 1.c. Meaningfully improve the sustainability and quality of ARFs + RCFEs serving a threshold percentage of low-income residents with one-time capital improvement funding matched by philanthropy
- 1.d. Encourage operators to explore new business models and funding streams

2. Resident Quality of Life

- 2.a. Deliver wraparound on-site professional supportive services for residents
- 2.b. Foster community and on-site resident enrichment activities with community-based organizations including peer and family support groups
- 2.c. Partner with existing programs to create a curriculum for peers to transition into professional positions at ARFs + RCFEs
- 2.d. Assist residents seeking jobs, volunteerism, or other productive uses of time
- 2.e. Support residents to move to more independent living settings, if appropriate

3. System Capacity

- 3.a. Preserve existing bed capacity from closures
- 3.b. Expand total capacity of the system

4. Operator Effectiveness

- 4.a. Create and sustain an operator member association for facilities serving low-income residents
- 4.b. Improve utilization and transparency with a real-time bed tracking system
- 4.c. Increase operator access to and use of technology
- 4.d. Develop and track metrics of quality care and resident outcomes

5. Integrated County Services

- 5.a. Complete Housing for Health and Department of Mental Health (HFH + DMH) program integration with consistent eligibility, assessment, and payments
- 5.b. Create liaisons within the integrated HFH + DMH program to help residents and operators navigate the system and access County and other resources
- 5.c. Ensure that the integrated HFH + DMH program aligns and engages with other programs and supportive services offered by the Health Agency, including Full Service Partnerships
- 5.d. Ensure that all County departments that provide relevant training, technical assistance, and other capacity building include ARF + RCFE operators and staff
- 5.e. Continue to work with Community Care Licensing to strengthen relationships with all operators, support at-risk facilities, and explore changes of ownership and/or management to prevent closures and negative impact on residents

6. State and Federal Policy Advocacy

- 6.a. Advocate at the State level for increased funding and for regulations that support a strong, sustainable ARF + RCFE system
- 6.b. Advocate at the Federal level for increased funding and for regulations that support a strong, sustainable ARF + RCFE system

Sustaining a Vital Permanent Housing Resource: A Report on ARFs + RCFEs in Los Angeles County

Definitions and Impact: ARFs + RCFEs

The California Department of Social Services licenses Adult Residential Facilities (ARFs) for adults ages 18-59, and Residential Care Facilities for the Elderly (RCFEs) for people age 60 and over. ARFs are sometimes referred to as “board and cares” and RCFEs are sometimes called “assisted living facilities.” There are over 1,700 ARFs and nearly 1,500 RCFEs licensed in Los Angeles County with a total of over 66,000 beds. About half of these facilities accept at least some low-income clients, serving as one solution along the continuum of care, treatment, and recovery for people living with mental illness and/or experiencing homelessness.

Licensed Residential Facilities

Adult Residential Facility (ages 18-59) = ARF

Residential Care Facility for the Elderly (age 60+) = RCFE

a.k.a. board and care or assisted living facility

ARFs + RCFEs are non-medical, 24-hour staffed residences that provide room and board, three meals a day plus snacks, medication oversight (critical to some people with significant mental illness and/or other medical issues), help with activities of daily living (dressing, bathing grooming), social activities, housekeeping, laundry, protective supervision, and help coordinating access to appointments. The facility may be a private home converted into a six-bed facility, or an apartment building for 200+ people, or anything in-between.

Characteristics of ARFs + RCFEs

- Licensed by the state Community Care Licensing Division (CCL) of the Department of Social Services
- Range from six or fewer beds to 200+ beds
- Non-medical facility; provides housing, meals, medication oversight, transport to medical and other appointments, supervision, housekeeping, laundry

Stakeholders report variation in the quality of ARFs + RCFEs, in part driven by the very low reimbursement rates for providing room, board, and 24/7 care to low-income individuals. Despite this significant revenue limitation, many operators provide pleasant environments and build strong community among residents. Family members often work together as the staff of ARFs + RCFEs. However, stakeholders recognize that some ARFs + RCFEs are unable to provide a quality setting or meet licensing requirements and would benefit from funding for needed improvements and technical assistance.

ARFs + RCFEs Within the Continuum of Stable Permanent Housing

ARFs + RCFEs that accept low-income residents play a critical role in promoting mental well-being and in preventing homelessness, but are often absent from discussions of housing solutions. They are an essential resource for many residents' recovery from physical and/or mental illnesses. They can provide a temporary place to stay until residents gain the strength and skills required to move to a lower level of care or independent living situation, thereby preventing homelessness. Other residents need and benefit from ARF- or RCFE-level of care their whole lives.

Continuum of Stable Permanent Housing



The 2019 Greater Los Angeles Homeless Count¹ showed an increase in both the City and County of Los Angeles of overall homelessness, with a 7% increase among seniors. The increase in street homelessness parallels a period of loss of ARF + RCFE beds. One stakeholder articulated the impact of the loss of ARF + RCFE beds by noting that of the approximately 900 people who died on the streets in Los Angeles County in 2018, many of them formerly lived in ARFs or RCFEs. ARFs + RCFEs can offer the safety and support that adults and seniors need to avoid homelessness and decompensation of physical and mental health.

Per the Los Angeles County Mental Health Commission's ARF workgroup,

"...it is recommended that policy makers who analyze housing supply and demand in Los Angeles County include Adult Residential Facilities in the continuum of community-based housing available for people with serious mental illness, as well as formerly homeless individuals. Arguably, formerly homeless residents with serious mental illness are more vulnerable than those targeted for permanent supportive housing with services attached. Surprisingly, under federal rules for defining "chronic homelessness," people leaving institutions [e.g., skilled nursing facilities] are often not considered eligible for permanent supportive housing."

ARFs + RCFEs are an appropriate housing alternative for many people being discharged from acute hospitals, state hospitals, and Institutes for Mental Disease (IMDs) who might otherwise become homeless. Homeless service providers, hospital discharge planners, and other care providers struggle to find appropriate placements for their clients who require care and supervision, because relatively few ARFs + RCFEs are willing to accept challenging residents at the current low rate.

¹ <https://www.lahsa.org/news?article=557-2019-greater-los-angeles-homeless-count-results&ref=hc>

Types of licensed facilities in LA County providing 24-hour care for people with serious mental illness

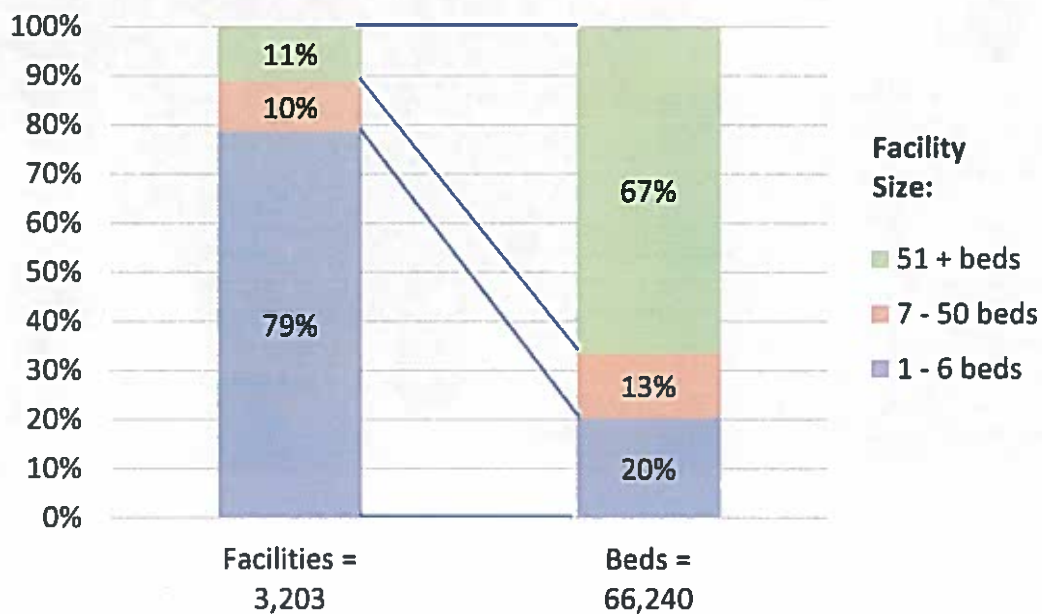
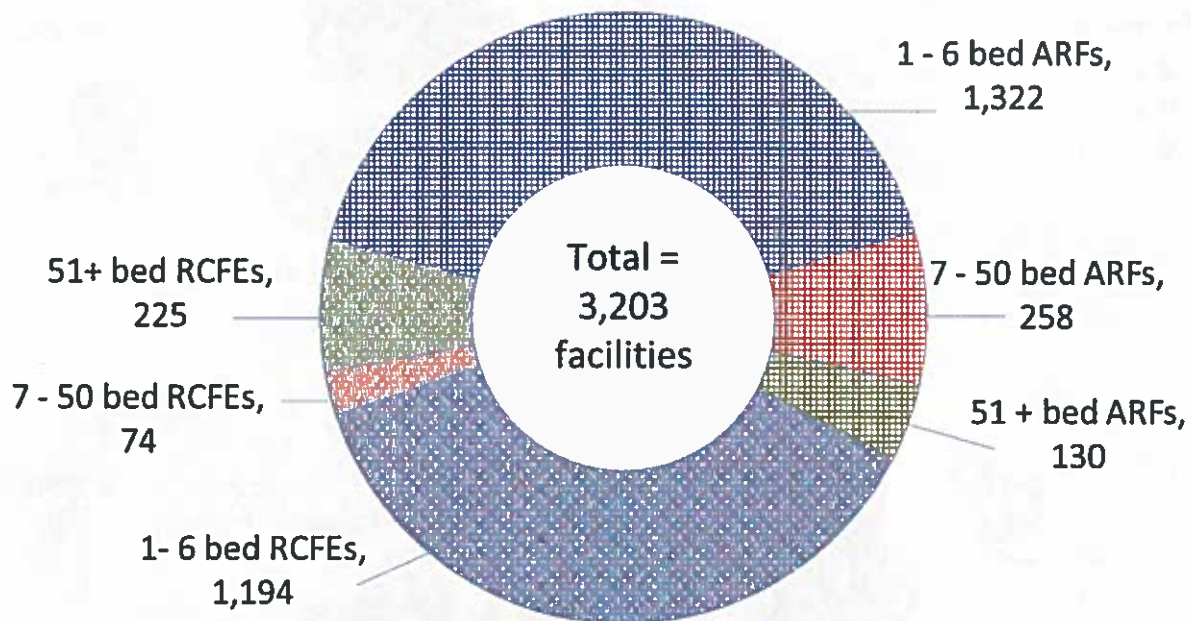
	Adult Residential Facilities (ARF)	Social Rehabilitation Agency	Residential Care Facility for the Elderly (RCFE)	Skilled Nursing Facility (SNF)	Congregate Living Health Facility (CLHF)	Institute for Mental Disease (IMD)
Population	Age 18 – 59 upon entry	People with mental illness	Age 60+ (may include younger)	People requiring skilled medical care	People requiring skilled medical care	People with mental illness
Services	Non-medical services, supervision, assistance	Psychosocial rehabilitation	Non-medical services, protective supervision, personal care	Skilled nursing and supportive care	Medical supervision, skilled nursing, supportive and other care	Diagnosis, treatment, medical care, nursing
Bed size	6 – 200+	6 – 16 (65% = 6)	6 – 200+	10 – 125	Up to 18	16 +
# total LA	1,709 *	19 + 7 pending	1,493 *	390	127	22
# beds LA	24,918 *	229	41,277 *	N/A	N/A	3,388

* Most do not serve low-income residents

Increasing level of care

Existing System of ARFs + RCFEs in Los Angeles County

In February, 2019 there were a total of 3,203 ARFs + RCFEs in Los Angeles County, with slightly more ARFs than RCFEs. The largest percentage of facilities have six beds or fewer (80% of the total *facilities*), and are often family operated. The greatest proportion of the total *beds*, though, (67%) is found in larger facilities with 51 or more beds.



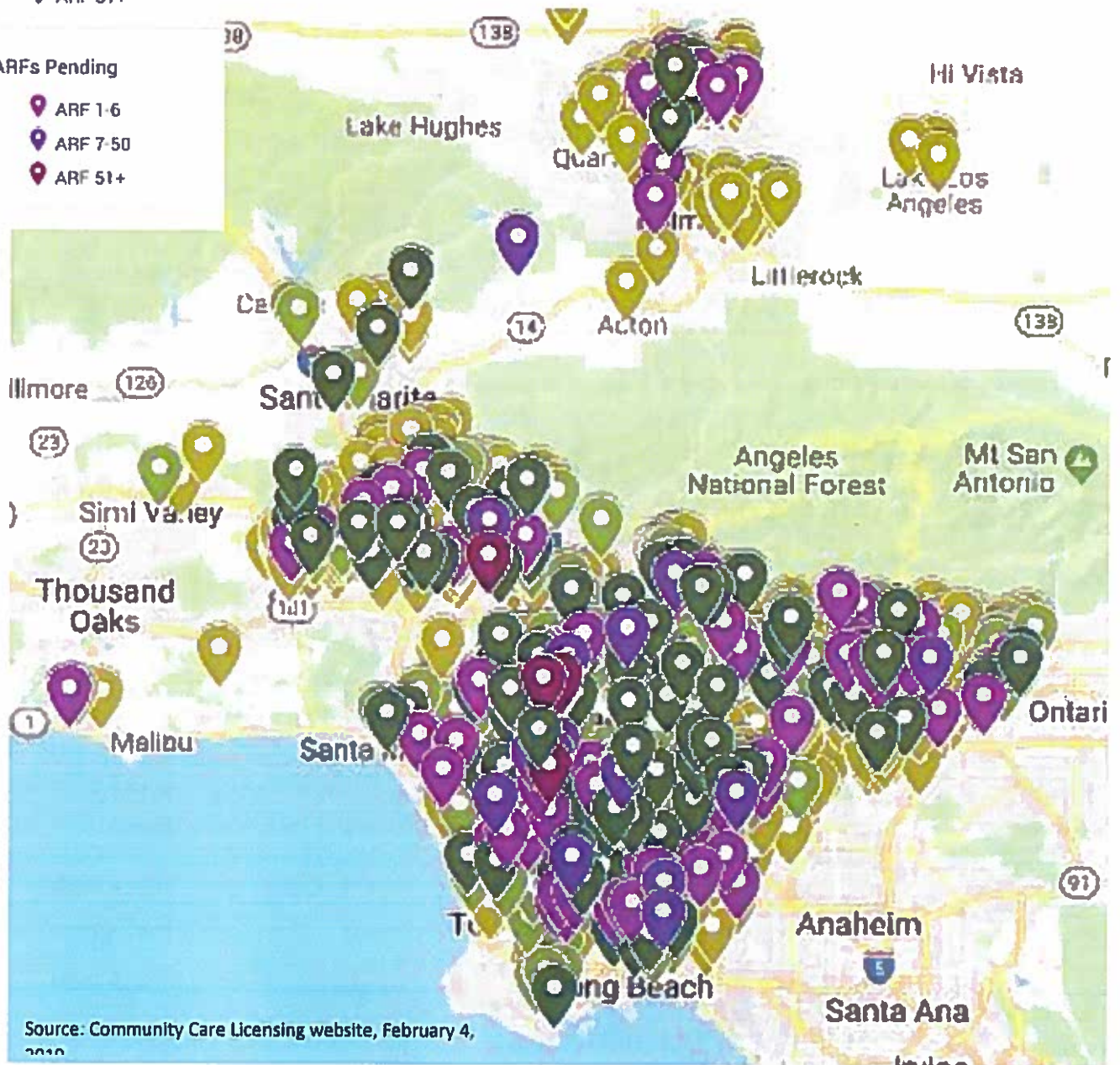
ARF + RCFE distribution across Los Angeles County

ARFS - Licensed

- ARF 1-6
- ARF 7-50
- ARF 51+

ARFs Pending

- ARF 1-6
- ARF 7-50
- ARF 51+



Urgency of Financial Sustainability

"The board and care system is precariously resourced and prospects for the continued vitality of this system in the wake of shockingly low daily rental rates per resident (\$35) is jeopardized. The failure of this system could exacerbate the homeless situation in L.A. County with residents exiting board and cares back into homelessness and/or board and care facilities no longer being available to accept new residents."

– L.A. County Mental Health Commission's "A Call to Action: The Precarious State of the Board and Care System Serving Residents Living with Mental Illness in Los Angeles County"

SSI rate is \$1,058/month per person. People who have low income and are either blind, living with a disability, or age 65 or over may be eligible for a cash grant called Supplemental Security Income (SSI). The California Department of Social Services sets the rate that an SSI beneficiary residing in an ARF or RCFE must pay from their benefits to reside there, referred to as the SSI rate. As of January 2019, the SSI rate is \$1,058 per month for an individual² or roughly \$35/day. This amount is meant to cover a resident's room and board, overall care and supervision, medication oversight, laundry, transportation and activities as well as the facility's insurance, worker's compensation insurance, staff wages, building upkeep, license fees, and all other expenses related to running a safe and supportive residence. Facilities are not permitted to charge individuals receiving SSI above the state-mandated rate.

By contrast, the organization RCFE Reform reports that for private pay residents:

The median cost of assisted living care in California is \$4,275 per month (Genworth Cost of Care Survey: <https://www.genworth.com/about-us/industry-expertise/cost-of-care.html>). However, the actual cost of care can vary significantly depending upon a resident's specific care needs. For example, dementia care costs are closer to \$8,000/month (SeniorHomes.com, 2017).³

Thus, facilities receive rates four to eight times higher, on average, for private-pay residents than for low-income residents. One stakeholder characterized the low SSI reimbursement rate as exploitation of ARF + RCFE operators.

² A single person living in an RCFE and eligible for SSI would receive \$1,194.37, pay \$1,058.37 to the facility for rent, and keep \$136 as his/her Personal and Incidental Needs Allowance (P&I).
http://www.canhr.org/factsheets/rcfe_fs/html/rcfe_fs.ssi.htm

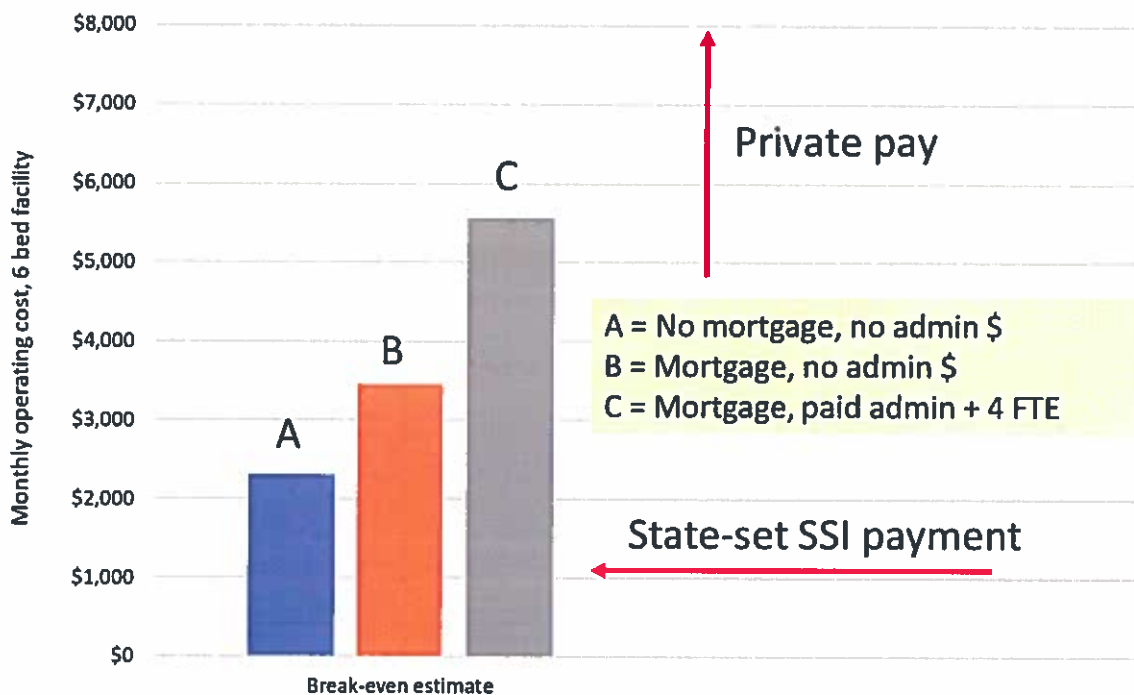
³ <https://rcfereform.org/data-research/californias-assisted-living-waiver-program-alwp-facts-figures>

Operators' Perspective – Need for Increased Rates

When indicating what change or resource would be most valuable to sustaining their business, 77% of operators selected “stable increased payment rates.”

Expenses are at least twice the SSI rate. Operating expenses for ARFs + RCFEs vary significantly based on many factors including size of the facility, whether there is a mortgage, whether operators pay themselves a salary (shown below as “admin \$”), and geographic area. The following chart demonstrates that even the lowest-cost structure for a six-bed facility is double the SSI rate.⁴

“ARFs for adults with serious mental illness cannot survive financially on a small scale (under



15 beds) without substantial subsidies.”

“Even in a facility of 45 beds or more, a subsidy paid by the county in amounts ranging from \$64/day to \$125/day per resident may be required to maintain fiscal viability.”

- CA Behavioral Health Planning Council, March 2018

⁴ Supporting Affordable Assisted Living in San Francisco, January 2019

Facilities are Closing

Though there are plentiful stories of facility closures and the disruptive resident displacements that result, reliable County-wide data on bed losses is elusive. One stakeholder reported a 12% annual loss rate of ARFs and RCFEs. Another stakeholder documented the loss of at least 800 ARF + RCFE beds between 2017 and 2019 in Los Angeles County. Several operators express interest in converting to an unlicensed private pay model with fewer regulations and restrictions, though there is no existing way to know how prevalent this practice may be.

Community Care Licensing (CCL) indicates that the overall total ARF + RCFE capacity across the state has stayed steady despite many facilities closing. By explanation, the greatest losses are among SSI beds since they represent a large portion of the closures and new larger private facilities do not accept residents on the SSI rate. Oftentimes the smaller facilities are family operated, younger generations do not want to continue in the business, and private developers make enticing offers for the property. CCL reports that “90% of closures are due to finances.”

An ARF or RCFE closure means that not only are residents displaced, but in a strong Not In My Back Yard (NIMBY) climate, the beds are lost to the system and extremely hard to replace. Therefore, CCL provides support and technical assistance to facilities that are at risk of losing their license. When operators no longer want to continue in the business, CCL has the authority to place a temporary manager at the facility and may explore change of ownership as an alternative to closing the facility.

Operators' Perspective – Closure Risk

29% of respondents to this question (12 out of 41 operators) report that they're **considering closing**, with half wanting to transfer the ARF + RCFE to another operator. The top changes to help sustain these businesses would be:

1. Stable and increased payment rate
2. Reliable, consistent staff
3. Funds to make needed improvements

Two additional operators indicate that they are **actively moving toward closing**, with one planning to close the ARF, and one intending to sell to a buyer or developer for non-ARF + RCFE use. These two operators indicate that their facilities require multiple improvements that would cost over \$200,000 each.

Los Angeles County Health Agency Programs that Support ARFs + RCFEs

Financial sustainability requires an increased payment above the SSI rate to provide basic care and supervision and cover the costs related to residents with higher acuity.

The Health Agency operates four programs through the Department of Health Services (DHS) and Department of Mental Health (DMH) that support formerly homeless or mentally ill persons residing in ARFs + RCFEs. Across these four programs, the Health Agency currently contracts with 182 facilities to serve 2,000 clients. Most of these facilities receive enhanced rates for a subset of their residents, based on programmatic assessments and client needs.

Enriched Residential Care Program	Interim Funding Program	Whole Person Care Program	Enhanced Services Rate Program
<ul style="list-style-type: none">• DHS Housing for Health• Since 2016• 1,000 clients• 130 facilities• Referred from DHS facilities and homeless services providers	<ul style="list-style-type: none">• DMH• Since 1990s• 100 clients• 23 facilities• DMH clients ready to transition out of higher level of care (e.g. state hospital/IMD)	<ul style="list-style-type: none">• DMH• Since 2018• 200 clients• 8 facilities• Facility refers WPC-eligible residents	<ul style="list-style-type: none">• DMH• Since 2019• 600 clients• 86 facilities• Existing residents who are high-utilizing DMH clients

182 total facilities

The Health Agency is in the midst of integrating these four programs, including administration, assessment, eligibility, tiered funding rates, invoicing, and payments. Each of the current programs is described below.

Housing for Health (HFH) Enriched Residential Care Program (ERCP) was created in 2016 with a focus on creating permanent housing opportunities for homeless DHS patients requiring care and supervision. In addition to people who could live independently or in permanent supportive housing, there was a cohort that needed care and supervision to stay stably housed.

HFH has placed more than 1,000 formerly homeless individuals in ARFs + RCFEs. HFH pays the facility an enhanced services rate for the higher level of service required by these clients. Without this enhanced payment, these individuals would have far fewer (or no) housing options.

Preliminary data from HFH suggest that for a group of 70 clients evaluated, the program produced a 27% reduction in inpatient hospital use and a 6% reduction in emergency department utilization compared to the six months prior to enrollment.⁵ These reductions in healthcare utilization are consistent with national research that shows reductions in avoidable healthcare spending when people are housed appropriately, with needed supports.

Profile of individuals served through the Department of Health Services Enriched Residential Care Program:

- Health, mental health and/or substance abuse challenges
- Experiencing homelessness
- Need assistance with Activities of Daily Living or other care and supervision
- May or may not be fully ambulatory
- Require support to manage their physical and/or mental health care

Within the 130 facilities involved in ERCP, HFH master leases four licensed facilities that were previously closed or slated for closure. For those that were not yet closed, the former operators were required to document their plan for transitioning all residents to avoid homelessness. In public-private partnership with trusted property owners, HFH brought in new, experienced operators to re-open the facilities. A per-bed, per-month reimbursement rate was agreed upon that is consistent with rates paid to other ARFs + RCFEs and the needs of HFH clients. HFH and the owner of each facility developed a strategy to cover the costs of essential tenant improvements. The operator guarantees all beds for the HFH program; operators cannot decline high acuity residents. Without County intervention, these facilities would have closed permanently and licensed beds would have been lost.

The Department of Mental Health (DMH) offers three programs that support residents in ARFs + RCFEs. The Homeless and Housing division has managed housing resources for people with serious mental illness since the 1990s. Since that time, DMH has placed clients with little or no income who have typically been living in a higher level of care (such as an Institute for Mental Disease) into ARFs and has subsidized the placement through its **Interim Funding Program**.

In 2018, to reduce the gap between the SSI rate and the actual costs for serving DMH clients in ARFs, DMH began to offer an enhanced rate for eligible clients enrolled in its **Whole Person Care program**. In Fiscal Year 2018-19, DMH increased its investments to support clients residing in ARFs + RCFEs by launching an **Enhanced Services Rate program** to compensate facilities that serve low-income clients with mental illness who have higher service. DMH now serves 900 clients through these three programs.

⁵ "Change in 6-month Emergency Room and Hospitalization Rates Pre- and Post-Enrollment for Clients Enrolled January 2017-December 2017." Statisticians caution that the sample size was small, the time frame six months, and the results can't necessarily be generalized to people who did not have Medi-Cal coverage for a full 12 months.

Providers: ARFs + RCFEs in Los Angeles County and contracted with DHS and DMH

Facility Status	# of beds	Adult Residential Facilities (ARF)			Residential Care Facilities for the Elderly (RCFE)		
		In Los Angeles County		Contracted with DHS and/or DMH, Unduplicated	In Los Angeles County		Contracted with DHS and/or DMH, Unduplicated
		Total Facilities	Total Bed Capacity	Total Facilities	Total Bed Capacity	Total Facilities	Total Bed Capacity *
LICENSED	1-6	1231	5983	12	72	1073	6291
	7-50	239	6567	33	882	68	1573
	51+	126	11216	28	2619	211	30705
LICENSED Total		1596	23766	73	3573	1352	38569
PENDING	1-6	90	416	0	0	114	664
	7-50	19	440	0	0	5	122
	51+	4	308	1	58	12	1710
PENDING Total		113	1164	1	58	131	2496
ON PROBATION	1-6	1	6	0	0	7	42
	7-50	0	0	0	0	1	40
	51+	0	0	0	0	2	130
ON PROBATION Total		1	6	0	0	10	212
TRANSFERRING OWNERSHIP	1-6	0	0	0	0		
	7-50	0	0	0	0		
	51+	0	0	2	208		
TRANSFERRING Total				2	208		
Grand Total		1710	24936	76	3839	1493	41277
Percentage of Total		100%		4.3%		100%	6.6%

Los Angeles County source: CCL website as of February 4, 2019

(*) not all beds are committed to these projects/ accept SSI

State-Funded ARF + RCFE Enhanced Rate Programs

In addition to the enhanced rate programs available through HFH and DMH, Los Angeles residents of ARFs + RCFEs may benefit from enhanced rates provided by state programs.

	Populations with need for 24/7 non-medical residential support	SSI base rate	Current enhanced rates
County First Priority Currently for ~2,000 people	Low income and living with serious mental illness	Yes	Los Angeles County Health Agency
	Homeless/ formerly homeless	Yes	Los Angeles County Health Agency
Enhanced rates are in place	Low income and living with developmental disabilities	Yes	State-funded Regional Centers
	Low income, meets Assisted Living Waiver criteria, and ALW slot is available	Yes	State Medi-Cal
No enhanced rates in place	Low income, and senior or persons with a disability including traumatic brain injury	Yes	No enhanced rates
	People with means including insurance	No	Private pay

Regional Centers

The Lanterman Act of 1977 was landmark legislation that guaranteed rights and services for Californians with intellectual and developmental disabilities (I/DD) such as Down Syndrome and Autism Spectrum Disorder. The Lanterman Act created and funded the Regional Center system of 21 non-profits throughout the state that coordinate and pay for care and services for people with I/DD.

The Lanterman Act provides funding so Regional Centers can pay for clients to live in ARFs + RCFEs, when appropriate. The payments are tiered based on the acuity and needs of the individual, ranging from \$1,058/month (Level 1) to \$8,170/month (Level 4).

People with serious mental illness – some of whom, like people with intellectual and developmental disabilities, have brain changes that render them unable to care for themselves – are not entitled to the care and services that are guaranteed to those with I/DD. Stakeholders point out that this glaring lack of parity results in more homelessness, incarceration, institutionalization, and higher healthcare costs for people with mental illness.

Medi-Cal Assisted Living Waiver

Implemented in 2006, the Medi-Cal Assisted Living Waiver (ALW) makes enhanced payments to incentivize ARFs + RCFEs to accept eligible people in lieu of them living in more costly and restrictive settings such as skilled nursing facilities.

ALW currently has 5,700 slots statewide with long wait lists and wait times in every participating county. Another 2,000 slots were added in 2018, still falling significantly short of meeting the need. At the time of this report, Assembly Member Ash Kalra has proposed legislation (AB 50) to expand the Assisted Living Waiver to 18,500 slots statewide.⁶

Other Medi-Cal

Aside from the ALW, Medi-Cal does not pay for services provided in ARFs + RCFEs. However, the California Department of Health Care Services could choose to incentivize Medi-Cal health plans to place members, when appropriate, in ARFs + RCFEs in lieu of more-costly inpatient or institutional care. Stakeholders urge the County to join and actively support advocacy to make this change.

ARF + RCFE Cost Effectiveness

Multiple stakeholders emphasize that ARFs + RCFEs, even with enhanced rates of \$50 per day (or \$1500 per *month*), are cost effective compared to:

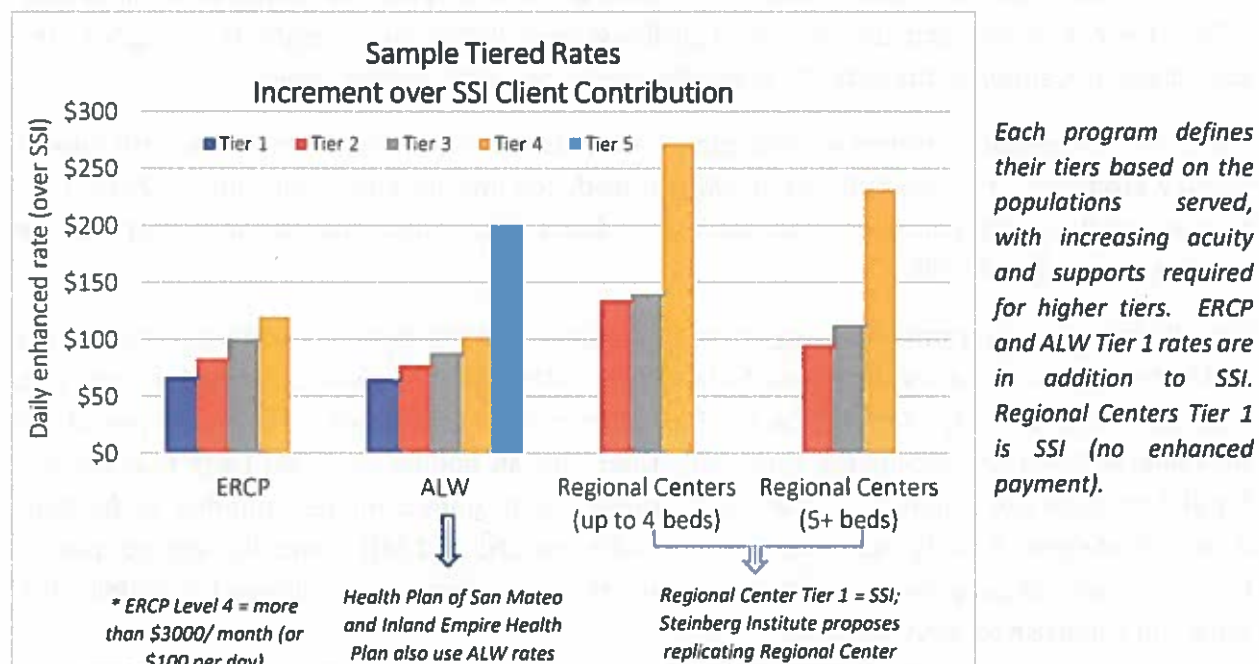
- An “administrative” day in an inpatient acute care hospital, which in L.A. County (both public and private) averages ~ \$1,000 per *day* (per Office of Statewide Health Planning and Development).
- An unnecessary day in an Institute for Mental Disease (IMD), which averages in L.A. County around \$1,000 per *day* (per Office of Statewide Health Planning and Development).
- An avoidable day in a Skilled Nursing Facility, where the Medi-Cal rate is ~ \$225/day.

In addition to these cost comparisons, studies of incarceration and chronic homelessness reinforce the conclusion that ARFs + RCFEs are a very cost effective resource that must be stabilized and maintained.

⁶ AB 50: http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB50

Tiered Rate Structures Incentivize ARF + RCFE Operators

The Supplemental Security Income (SSI) rate is a flat fee, not based on the resident's acuity or needs, and not based on where the facility is located (higher- vs. lower-cost areas of the state). Enhanced funding sources such as Regional Centers and the Assisted Living Waiver (ALW) use tiered rates based on the acuity and needs of each resident. Los Angeles County's Housing for Health (HFH) also uses tiered rates with its Enriched Residential Care Program (ERCP).



Because of the variation among these rates, operators have an incentive to seek and accept residents who receive the higher rates of the Regional Centers or ALW, or the higher-reimbursing HFH program over the DMH programs. Current efforts to integrate HFH and DMH's ARF + RCFE programs to use the same assessments and rates will remove this discrepancy within the Health Agency.

Significant Unmet Need for Subsidized ARFs + RCFEs

Analysis of existing data gathered through the stakeholder process leads to best estimates that 25,000 low-income people need the support provided by ARFs + RCFEs across Los Angeles County. Currently a total of 10,400 residents of ARFs + RCFEs pay with SSI (according to data from California Department of Social Services), leaving a significant gap of unmet need.

Though specific numbers are not available, there is significant unmet need among people experiencing homelessness with serious mental illness, those who are ready to move to a less-restrictive setting from a Skilled Nursing Facility (SNF) or Institute for Mental Disease (IMD), and those who are on the Assisted Living Waiver wait list. The total unmet need among these groups is estimated at approximately 12,000 people.

Growing the Number of ARFs + RCFEs that Serve Health Agency Clients

California Department of Social Services reports that 1,560 ARFs + RCFEs received SSI payments in April of 2019 in Los Angeles County, or approximately one-half of the 3,200 facilities. This total includes people with intellectual and developmental disabilities served through Regional Centers. Since facilities are required to accept SSI if a private-pay resident becomes SSI-eligible, it is not possible to know from this information how many facilities take low-income residents upon admission. However, over 40% of facilities in Los Angeles County receive SSI payment for at least 20% of their residents, and 15% (over 400 facilities) have 75% or more residents paying SSI. The capacity represented by these facilities must be sustained with quality services.

There is demonstrated interest among operators to receive enhanced rates through the Health Agency programs. For example, when DMH introduced interim enhanced rates in 2018, they received requests to fund over 2,000 facility residents with serious mental illness but had the funding to accept only 600.

Not all interested operators have experience meeting the complex needs and behaviors of DHS and DMH clients. There are, however, ARFs + RCFEs with experience with these populations who have additional capacity. Among the 182 facilities currently contracted with at least one of the HFH and/or DMH enhanced rate programs, there are an additional 5,000 beds that are not funded through the programs. In addition, there are an undocumented number of facilities across Los Angeles County that have residents who are DHS or DMH clients but are not part of the enhanced rate programs. In addition, some other operators express interest in building the skills and expertise to serve these populations.

Operators' Perspective – Payer Mix

Respondents to the operator survey often take both private pay and SSI-rate residents. (40 operators answered this question)

- 30% of operators have 100% low-income residents (have no private pay)
- A quarter of operators have nearly all low-income residents (<10% private pay)
- Another quarter of operators have a predominantly low-income mix, with 10 – 40% private pay

Twenty percent of survey respondents that accept low-income residents are not yet engaged with HFH and/or DMH enhanced rate programs. These represent the group of operators with experience serving low-income residents who may be interested in accepting HFH or DMH clients.

Report of Stakeholder Input

In order to preserve and expand a robust system of licensed Adult Residential Facilities (ARFs) and Residential Care Facilities for the Elderly (RCFEs), stakeholders identify **six imperatives**:

- 1. Operator Financial Sustainability**
- 2. Resident Quality of Life**
- 3. System Capacity**
- 4. Operator Effectiveness**
- 5. Integrated County Services**
- 6. State and Federal Policy Advocacy**

Detailed input from the stakeholder process and areas of action for each of these imperatives follows.

1. Operator Financial Sustainability

Operator financial sustainability is the highest priority imperative for action. First among actions is to raise the SSI rate at the State level. Locally, the first priority is to expand the Department of Health Services (DHS) and Department of Mental Health (DMH) enhanced rate programs with tiered rates based on the acuity and functional needs of each individual regarding how much care and supervision is required. This is aligned with the current Housing for Health (HFH) rate structure, how the Medi-Cal Assisted Living Waiver and Regional Centers reimburse facilities, and how enhanced rate programs in other counties operate. HFH and DMH teams are working steadily to integrate these programs, eliminate competition among the departments' efforts, and expand the number of people served.

To sustain the broader group of ARFs + RCFEs, stakeholders encourage collaborative efforts to expand sources of operating funds for those facilities that serve residents with low incomes.

One-time funding for capital improvements can help sustain operators who have deferred maintenance that decreases resident quality of life and challenges facilities to meet licensing requirements. Community Care Licensing indicates that facility closures are often tied to noncompliance due to not having the resources to bring the physical plant to required standards.

Operators' Perspective – Deferred Maintenance

Nearly half of survey respondents indicated that “funds to make needed improvements to the facility” would be most valuable to help sustain their business.

Respondents indicated wide variation in the possible costs, with projects most often in the \$10,000 - \$50,000 range.

Areas of improvement listed in declining order of selection from the operator survey include repairs to structure, such as roof or cracked pavement; bathrooms and showers; paint, carpet, beautification; air conditioning; and efficiency projects, e.g. water, electric.

A forgivable loan fund could provide a capital improvement loan to any operator that commits to maintain a minimum threshold of SSI residents. A portion of the loan would be forgiven for each year that the SSI threshold is maintained. The length of payback could vary based on size of the loan. In return, the County is the first source of referral for any open bed; the facility retains the option to decline a referral but must maintain the agreed proportion of residents paying with SSI. Upon repayment by facilities that no longer sustain the SSI proportion, the funds could be re-invested in additional loans.

Finally, several stakeholders recognize the limitations of public funding sources, and encourage operators to expand their business models to generate additional funding streams, for example through Medi-Cal reimbursable Adult Day Health Care programming.

Operator financial sustainability areas for action:

- 1.e. Double the number of people to 4,000 benefiting from Housing for Health and Department of Mental Health enhanced rates, using a tiered payment model for high acuity clients**
- 1.f. Expand other sources of operating funding available for facilities serving low-income residents**
 - i. Explore short-term operating enhancements to cover the incremental costs of increased minimum wage beginning July 1, 2019
 - ii. Seek local funds through Measure H, Mental Health Services Act including No Place Like Home and Prevention and Early Intervention funding, Los Angeles County Homeless Initiative
 - iii. Seek state funds through expanded Medi-Cal Assisted Living Waiver, engaging Medi-Cal health plans, expanded Home and Community Based Services (HCBS) waiver and PACE programs to include ARFs + RCFEs
 - iv. Build on lessons from demonstration projects by Managed Care Organizations (MCOs) to expand MCO funding for ARFs + RCFEs ⁷
 - v. Establish a “Friends of ARFs/RCFEs” nonprofit to raise funds, adopt a facility, and connect volunteers to volunteer opportunities in facilities
- 1.g. Meaningfully improve the sustainability and quality of ARFs + RCFEs serving a threshold percentage of low-income residents with one-time capital improvement funding matched by philanthropy**
 - i. Identify funds to seed a facilities improvement fund, possibly using a forgivable loan methodology
 - ii. Explore philanthropy match: Weingart, Wellbeing Trust, Kaiser, United Way of Greater Los Angeles, Conrad N. Hilton Foundation, Medi-Cal health plan foundations
- 1.h. Encourage operators to explore new business models and funding streams**

⁷ <https://www.chcs.org/media/HPSM-CCS-Pilot-Profile-032916.pdf>

2. Resident Quality of Life

ARF + RCFE operators are encouraged to create environments that provide residents with socialization and activities, and encourage them to engage in self-care. Through a shared community, residents experience improved quality of life.

County programs such as the DMH Full Service Partnerships demonstrate the effectiveness of **on-site professional supportive services** as part of these positive environments. Increased resident engagement with case managers and mental health professionals who are knowledgeable about benefits, programs and other supportive service opportunities improves the quality of life for residents.

Community-based resources including peer groups and family support organizations can also offer **on-site enrichment activities** to improve resident quality of life. Stakeholders suggest a range of classes and activities, noting the importance of asking residents for input. Activities such as arts lessons, field trips, movies, personal care activities e.g. manicures or hair styling, or pet therapy provide residents with a sense of purpose, productivity, and hope. Stakeholders encourage topics for classes such as healthy eating, recovery groups e.g. AA, anger management, and life skills including transportation, budgeting, shopping, and cooking. As residents stabilize, some can be encouraged to seek **paid employment or volunteerism**. On-site support can help recruit prospective employers and volunteer opportunities, as well as provide coaching and job skills training.

Engaging residents with trained and qualified **peers** can have powerful positive impact. Peers serve as examples of how to overcome perceived limitations that are often associated with mental illness, and can offer practical and relatable advice to residents. Peer and family support groups in Los Angeles that can be resources to ARFs + RCFEs include: ACCESS, NAMI, Painted Brain, Project Return, SHARE, and Speak Up (CSH).

Successful facility operators understand the importance of **building shared community** among residents. Enhanced services offer opportunities to connect and strengthen community, as residents share experiences and learn together. Community reinforces residents' stabilization and minimizes destructive isolation. Residents who experience this sense of community report feeling safer and more secure in their lives.

One of the challenges stakeholders report most frequently is the inability of residents to **move to more independent living environments**. As a result, some ARF + RCFE residents may remain in the same facility for longer than is necessary. In addition to the general life skills development, community and peer support described for all residents, stakeholders encourage training for staff to identify and support residents who may be ready to live more independently, guided foremost by residents' own wishes. Volunteers and peers can be role models and form mentoring relationships with residents as they prepare to move, provide support in locating and outfitting new homes, and continue as support following the transition.

Resident quality of life areas for action:

- 2.f. Deliver wraparound on-site professional supportive services for residents**
 - i. Provide onsite services by case managers, occupational therapists, social workers, substance abuse treatment specialists, and others, e.g. behavioral therapy groups, physical therapy, and occupational therapy
 - ii. Connect operators with health and mental health providers that offer on-site services, e.g. field-based and/or virtual psychologists, psychiatrists, dentists, podiatrists, and other medical personnel
- 2.g. Foster community and on-site resident enrichment activities with community-based organizations including peer and family support groups**
 - i. Examples of community and volunteer groups include:
 - Civic groups
 - Students, e.g. psychology, social work, occupational therapy
 - Faith based organizations
 - Animal groups and shelters to bring animals for visits with residents
 - ii. Share activity director, socialization opportunities among facilities
 - iii. Establish an Assistance Fund to support these activities
- 2.h. Partner with existing programs to create a curriculum for peers to transition into professional positions at ARFs + RCFEs; organizations with experience:**
 - Chrysalis
 - CSH
 - Homeless Health Care Los Angeles
- 2.i. Assist residents seeking jobs, volunteerism, or other productive uses of time**
- 2.j. Support residents to move to more independent living settings, if appropriate**
 - i. Develop a program to help people in Institutes for Mental Disease prepare for transition to ARF or RCFE, then permanent supportive housing
 - ii. Prepare residents for transition using Critical Time Intervention
 - iii. Train DMH, HFH, facility staff, and peer workers to identify residents who could live more independently, and connect them to needed resources
 - iv. Help residents save money, e.g. with ABLE accounts, people with disabilities can save up to \$15,000 over SSI asset limits without penalty
 - v. Promote the creation of new semi-independent living options, e.g. with private rooms, shared kitchen/living spaces, communal meals, staffing but not 24/7, support for medication self-administration

3. System Capacity

With more operators considering closure, **preserving ARF + RCFE facilities** is essential to strengthen and ultimately expand the capacity and quality of these facilities. Community Care Licensing works with operators who are considering closure to identify alternative approaches that maintain the facility, including transfer of the license to another operator. Experienced and established operators managing facilities can realize economies of scale and improve services to residents.

Stakeholders also encourage opportunities for **creating new ARFs + RCFEs**, including facilities to specialize in housing for persons with specific needs, e.g. substance abuse, trauma, or other challenging populations. Under land use requirements, any facility with more than six beds must receive a permit, which is frequently blocked by Not In My Back Yard (NIMBY) resistance. There are multiple efforts across Los Angeles County to increase community understanding of the causes of and solutions for homelessness, which can include support for ARFs + RCFEs.

Operators' Perspective – Sustaining the Business

Sixty percent of survey respondents indicated an interest in expanding their business, with 45% of the total interested in adding one or more facilities.

When asked what would be most valuable in sustaining existing businesses:

- 77% of respondents chose “stable increased payment rates”
- 62% said “quickly filling vacant beds with suitable residents”
- 49% chose “funds to make needed improvements to the facility,” and
- 36% indicated “reliable, consistent staff”

System capacity areas for action:

3.c. Preserve existing bed capacity from closures

- i. Partner proactively with Community Care Licensing to identify and address facilities' challenges before they consider closure
- ii. Create a focused incubator team to coach operators who are facing challenges
- iii. Develop a pool of experienced operators looking to expand to serve low-income residents as an alternative for operators who want to sell and keep the facility as an ARF or RCFE
- iv. Develop capital alternatives for new ownership, e.g. nonprofit ownership alternatives that offer tax benefits; Primary Care Development Corporation, which provides financing and capacity building to health clinics

3.d. Expand total capacity of the system

- i. Participate in community organizing to increase awareness of solutions to homelessness and to reduce NIMBYism
- ii. Expand number of ARFs + RCFEs dedicated to specialized populations, e.g. co-occurring disorders, younger people with schizophrenia
- iii. Increase awareness and interest among the general public about opportunities for operating ARFs + RCFEs

4. Operator Effectiveness

The most consistent and far-reaching approach to operator effectiveness is the creation of an **association for operators that serve low-income residents**. ARF + RCFE operators currently gather and connect through meetings led by DMH Service Area Chiefs, Housing for Health operator meetings, and through the organizations Mental Health Hookup and 6Beds, Inc. There is strong interest among stakeholders for broader opportunities to connect with an association through which they can network, learn, and contribute to policy advocacy.

Stakeholders suggest parameters and possible benefits of an ARF + RCFE association:

- Tiered membership rates, including low-cost options
- Staffing to coordinate logistics, members, activities, and follow-up
- Option to attend meetings virtually or with financial coverage for time away
- Creation of the association must come, at least to some extent, from within the group of existing operator champions

Operators' Perspective – Membership Association

When asked about possible benefits from a membership association:

- 77% of respondents indicated that updates on funding, licensing, new regulations, and best practices would be “very valuable” to them
- 74% of respondents indicated that advocacy for more funding and to change regulations would be “very valuable” to them

Among the roughly half of survey respondents who were willing to pay a **membership fee** to an association that provides meaningful benefits, fees of \$120 or \$300 a year were the most-frequently selected amounts.

Among those who had an opinion of what type of organization would be best suited to **coordinate an association** of operators, the most popular option was a nonprofit organization (26%), followed by a group of volunteer operators (20%), or the county (17%).

Possible models for an operator membership association include the Community Clinic Association of Los Angeles County (CCALAC), Association of Community Health Service Agencies (ACHSA) and the California Association for Adult Day Services (CAADS). 6Beds, Inc. is an organization for RCFEs and ARFs that offers business training, compliance tools, advice, and advocacy for small residential care facilities in return for a membership fee that many facilities accepting the SSI rate find prohibitive. The 6Beds, Inc. board is open to expanding their work beyond small organizations in order to address this need.

Stakeholders were enthusiastic about a **real-time bed-tracking system**. They recognized that no bed-tracking tool can guarantee a placement; meeting clients' needs requires one-on-one

discussions. However, being able to post when a bed is available and under what criteria on a web-based tracking system could be of great value to operators and potential residents. Family members and other stakeholders were also interested in a web resource with transparent, reliable facility information in addition to bed availability. Stakeholders suggest looking at the DPH SAPC (Substance Abuse Prevention and Control) bed-tracking tool as a model. Possible features include:

- App-based with desktop option
- Quickly, easily, and frequently alerts the Health Agency how many slots are available for enhanced rate clients
- Require operators to update frequently, by pushing reminders and alerts
- Companion website where facility uploads pictures, virtual facility tour, rates, licensure, contact person, bed types available, facility activities, neighborhood amenities; include facility star rating; indicate which populations are served

Operators' Perspective – Real Time Bed Tracking

In general, respondents to the operators' survey are not listed in on-line facility websites. Of the 18 who answered a question about what would be necessary for them to be open to listing on a bed-tracking database:

- 56% asked that it help fill their empty beds
- 44% requested ease of use
- 44% want it to be free to operators
- 39% indicated that it be accessible from a smart phone, and
- 33% wanted someone to help them list their facility on the site.

Stakeholders report that operators and staff of ARFs + RCFEs need assistance with understanding and using **technology** to make their operations more efficient and effective. While operators may have an email address and a computer, many have limited technical skills. Many have never participated in a webinar or joined a conference call. Some operators prefer to fax and mail documents, and are not savvy when it comes to internet research or logging into information portals.

Stakeholders mentioned **quality of care** as a chief concern about the current system of ARFs + RCFEs. Stakeholders strongly suggest that enhanced reimbursement be tied to performance, quality, and improved services. In an environment where very little outcomes data exist, stakeholders are interested in measuring and understanding resident outcomes. They suggest looking to similar systems for examples, and partnering with others to tap existing data and to develop systems for gathering more.

Operator effectiveness areas for action:

- 4.e. **Create and sustain an operator member association for facilities serving low-income residents;** services and benefits of interest include:
 - i. **Advocacy and public policy:** inform operators of policy and regulatory developments, engage in legislative advocacy for more funding and to change regulations to support operator sustainability and improve quality
 - ii. **Training and technical assistance:** involve operators in creating curricula and standards; coordinate training through webinars, train-the-trainer, and on-site opportunities; topics include working with people living with mental illness, de-escalating violent situations, appropriate use of emergency services
 - iii. **Staffing support:** including workforce recruitment; pre-vetted and approved pools of temporary relief workers for administration, drivers with vehicle, maintenance, security, housekeeping, cooks and others for planned and unplanned staffing needs
 - iv. **Collaborative community of operators:** create regional directories of facilities; host dialogues with Cities and the County; encourage exchange of best practices; make connections to other advocacy groups, such as NAMI; facilitate an operator-to-operator mentorship program; track and analyze trends
 - v. **Group negotiating and purchasing:** for example, for insurance; furniture and bedding; paper products, cleaning supplies; healthy food
- 4.f. **Improve utilization and transparency with a real-time bed tracking system**
- 4.g. **Increase operator access to and use of technology;** suggestions include:
 - i. Secure funds for operators to purchase computers or tablets, broadband capacity, and training materials
 - ii. Standardize intake information and processes
 - iii. Teach operators and staff to use email, participate in conference calls and web-based trainings including those offered by Community Care Licensing
 - iv. Support operators' ability to collect resident data and track trends
 - v. Train operators and staff to use online tools that will help them better manage residents' care, including: Medi-Cal health plan member portals, DMH, DHS, and DPH (SAPC) websites, and Medi-Cal transportation request systems
 - vi. Identify apps to help facilities function more efficiently, e.g., assessment tools or de-escalation checklists

4.h. Develop and track metrics of quality care and resident outcomes; suggestions include:

- i. Review Skilled Nursing Facility and Interim Housing standards; evaluate if any could be appropriate for ARFs + RCFEs
- ii. Partner with Medi-Cal health plans on quality improvement projects with metrics such as avoidable hospital admissions, avoidable emergency department visits, follow up on specialty referrals, access to behavioral health care, and other measures that plans already report per Healthcare Effectiveness Data and Information Set (HEDIS, managed care performance measures)
- iii. Consider developing a star rating system similar to the system Medicare uses for Skilled Nursing Facilities
- iv. Track outcomes of people who move out, including residents who are transferred as the result of an ARF or RCFE closure

5. Integrated County Services

The stakeholder process tapped the energy of hundreds of people, creating a cohort who are informed about and committed to sustaining a strong ARF + RCFE system. Stakeholders strongly encourage the Health Agency to **maintain this momentum** by dedicating leadership and resources to continue to share information, connect interested parties, and implement the suggestions from this report.

The top priority in this area is to complete the **integration of Housing for Health (HFH) and Department of Mental Health (DMH) enhanced rate programs** including selection of a single assessment tool, eligibility requirements, and rate levels.

The top stakeholder request of the integrated programs is to establish **regional liaisons** to address contract questions, fill vacancies, discuss policies, request training, and identify resources. Ideally, multiple liaisons would be assigned regionally across the County (perhaps by SPA) in order to foster relationships with a manageable number of operators. In addition, ARFs + RCFEs can benefit tremendously from **support, services, training, and technical assistance from across the Health Agency and other County departments**.

Strong, active partnership between the Health Agency and **Community Care Licensing (CCL)** is essential for a strong ARF + RCFE system. Building on discussions begun during the stakeholder process, staff from DHS, DMH, and CCL will identify specific roles and protocols for communication, and will develop agreements for collecting and sharing information including the possibility that CCL's Licensing Program Analysts (who conduct onsite audits at ARFs and RCFEs) could use a new instrument to collect simple point-in-time information at facilities. The shared focus is to support quality, avoid closure of existing facilities, and encourage licensing of new facilities serving low-income individuals.

Consistent with CCL's cultural shift toward support and partnership with operators, the teams will work together to streamline information flow, expand access to capacity building and technical assistance, and partner in efforts to expand funding for ARFs + RCFEs. When a facility is on a path toward closure, all parties will work together to identify alternatives that minimize disruption for residents, maintain the facility's licensure, and as needed engage experienced operators who are interested in expansion.

Integrated county services areas for action:

- 5.f. Complete Housing for Health and Department of Mental Health (HFH + DMH) program integration with consistent eligibility, assessment, and payments**
- i. Use a clear and transparent system to select who will be funded for enhanced rates; top populations suggested by stakeholders to prioritize:**
 - Clients coming out of Institutes of Mental Disease (IMDs) to free up critical IMD slots
 - Public Guardian conserved clients for whom ARF + RCFE is appropriate level of care
 - Clients assigned to DHS for primary care, specialty care, inpatient hospital, and outpatient services for whom ARF + RCFE is appropriate level of care
 - Long-term inpatients in County acute care hospitals who do not need acute care and require the support of an ARF + RCFE; if not yet receiving SSI, pay the full amount to the ARF + RCFE until SSI coverage begins
 - ii. Pre-qualify operators through certification including minimum training and commitment to serve a threshold percentage of residents with SSI**
 - iii. Centralize ARF + RCFE contracting and contract management with a single point of contact**
 - iv. Establish methods for third party referrals so that acute-care hospital and IMD discharge planners, DMH-contracted providers, Coordinated Entry System providers, DPH-contracted SAPC providers, and Medi-Cal health plans can refer clients to the HFH + DMH program**
- 5.g. Create liaisons within the integrated HFH + DMH program to help residents and operators navigate the system and access County and other resources**
- 5.h. Ensure that the integrated HFH + DMH program aligns and engages with other programs and supportive services offered by the Health Agency, including Full Service Partnerships**
- 5.i. Ensure that all County departments that provide relevant training, technical assistance, and other capacity building include ARF + RCFE operators and staff**
- 5.j. Continue to work with Community Care Licensing to strengthen relationships with all operators, support at-risk facilities, and explore changes of ownership and/or management to prevent closures and negative impact on residents**

6. State and Federal Policy Advocacy

6.c. Advocate at the State level for increased funding and for regulations that support a strong, sustainable ARF + RCFE system

- i. Encourage and support advocacy for AB 1766, AB 50, and subsequent relevant legislation by DMH Service Area Advisory Committees (SAACs), MHSA advisory committees, Mental Health Commission, and other Health Agency bodies
- ii. Sponsor a bill in the fall 2019 legislative session
- iii. Bring the resident, family and operator voices to advocacy efforts, e.g., with Housing CA, CSH, Steinberg Institute, CA Behavioral Health Planning Council
- iv. Stakeholders identify the following possible policy and regulatory changes:
 - Increase SSI rate
 - Incentivize Medi-Cal health plans to place in ARFs + RCFEs in lieu of higher levels of care
 - Include people with serious mental illness as priority population for housing initiatives including Section 8, permanent supportive housing
 - Support legislation to increase access to funding for ARFs and RCFEs as an important permanent housing option by including them in the definition of permanent housing for people who are homeless or housing insecure
 - Make ARFs + RCFEs eligible for No Place Like Home funding
 - Improve data tracking and reporting including who is served, real-time bed availability, facility closures
 - Expedite the ARF + RCFE license application process
 - Allow ARFs + RCFEs to provide different levels of care with higher reimbursement rates at the same facility, e.g. recuperative care
 - Require or incentivize every operator over a certain size to include a portion of SSI beds
 - Monitor licensed facilities that transition to unlicensed facilities, but continue to serve the same clients; residents are often unaware of their rights in these scenarios
 - Increase facility maximum to eight or ten beds in a residential zoned area
 - Create a state insurance plan for ARF + RCFE operators

6.d. Advocate at the Federal level for increased funding and for regulations that support a strong, sustainable ARF + RCFE system

- i. Include ARFs + RCFEs as a permanent housing option that is eligible for funding through other programs to prevent and end homelessness
- ii. Address the IMD exclusion, a section of the federal Medicaid rules that limits a residential facility's ability to provide onsite mental health services

First-Person Perspectives: Resident, Family, and Operator Profiles

Note: All names and identifying details have been changed to protect the subjects' privacy

Ava's Story

I asked Ava to check on her brother, to see why he hadn't called us. She found his body, and after that she was never the same. Was that what caused her break? Her mother and I lost two of our children that year. How do you live with that?

The man's voice is raw with agony. Doctors say his daughter's schizophrenia isn't his fault, but the nagging doubt never leaves. Nor does the grief.

Ava is striking, with an odd affect. Her dark brown eyes stare flatly from a carefully composed face. Behind this mask, she feels safe. No one knows the thoughts roiling her mind or that her heart races with fear. At least she hopes no one can read her mind. The voices often warn of threats from mind readers and ill-wishers.

Why can't the voices ever say anything nice? bemoans Ava's social worker.

The only thing that quiets the voices and their ominous admonitions is the medication that nauseates her, makes her sleepy, and dizzy, and fat. How will she ever find someone to love with the side effects running interference? Ava is smart; she reads medication inserts and is reluctant to do long-term damage to her body. She hopes to have children someday. So she refuses the medications, and cruel voices are her constant companions.

Ava's family was always close. Mom homeschooled her bright children until high school, and Ava seemed to live a charmed life. Prodigious musical talent saw her repeatedly win competitions. But it's been ten years since she touched the instrument, ten years since her charmed life abruptly ended. Family contact is sporadic since she relocated across the country. She has no friends.

Ava's troubles started in her late teens. She chose a state university to be near the adored older brother, her anchor. But he had diabetes, and something went wrong. The day she let herself into his apartment and found his lifeless body, according to her family, her beautiful life unraveled.

Soon Ava stopped going to classes, decided it was unsafe to live in her apartment, and started living in her car. The voices moved in with her. They advised her to change locations frequently, to avoid the people they said were after her. The family tried to draw her back into their protective orbit, but the voices cautioned against letting them control her life.

Friends consoled the family for their loss of Ava's brother. They wondered why Ava wasn't around, but her parents evaded the questions. They still conceal her illness from the world outside the family. Eventually people stopped asking. That's the isolating stigma of mental illness.

Following her first hospitalization and diagnosis, Ava decided she couldn't remain in her home state. First, she drove her car to New York, staying with old friends until they could no longer tolerate her unexplained erratic behavior. Then she migrated to Los Angeles, living in her car and occasionally calling home to ask for money. After a while, the car was impounded for unpaid tickets, and Ava found a shelter.

The shelter was a bed, at least, but she quarreled with her neighbors and soon left for the streets. After an involuntary hospital stay, Ava was recruited by an unlicensed residential facility, often called a "room and board" home. There was nothing homey about this place though. It was dirty; the food was inedible; and the gate was always locked. At 9:00 every night the operator went to bed, and any resident still outside spent the night elsewhere, often in a doorway. Ava is a young woman, a gifted musician who enjoys the kind of nightlife found only after 9:00 p.m. She was not happy in that facility.

What are your possibilities when you're young and bright, talented, attractive, and seriously mentally ill? When your family can't help you, or you won't let them? When you can't hold down a job, but you'd like to have a future, where do you turn for help? When your meds make you physically ill and the internal voices keep you isolated and afraid, what are your options?

Ava no longer lives on the street or in a shelter or an exploitative "home". She has spent the past year living in the quiet, comfortable licensed Board and Care home her social worker found. This woman is part residential facilitator, part family mediator, part friend. She is the one person Ava almost trusts.

But Ava's family pays for the social worker. They have not given up on her, unwelcome though their efforts often are. And they can afford someone to help her, to shadow her, befriend her, help her secure a room in one of the vanishingly few licensed facilities that are small enough and well-run enough, and patient and understanding enough to care for challenging residents like Ava. Few people with serious mental health issues are so fortunate. Many are estranged from loved ones. And across the state, Board and Care homes are closing, because shockingly low reimbursement rates make their business model a losing proposition.

What about the thousands of people with serious mental illness on the streets right now? Where will they sleep tonight? How will they eat? Who can they turn to when the voices tell them to threaten, or run, or harm themselves? Can we, please, collectively, imagine the answers?

Adam's Story

Adam is small and round, with gentle eyes that fill with warm light when he smiles, which he does often. His hands have a pronounced tremor from his medications, and his voice has a frequent stutter.

I knew I was off. If I get a cold, I can't really deny it. I know all the clinical symptoms. I have a PhD in psychology. So, I knew how to get myself released from the hospital, even when I wasn't at all stable.

I'm trying to dig into my symptoms, going to seminars and going deep into the experiences. I get flooded with memories of trauma from the past years.

I'm interested in video-based therapy. When you're editing, it teaches you to listen, to sit with anxiety. Making movies is good for PTSD. You can get it out, then relate to the story you tell.

I love sales, could go into the Virtual Reality field and work with trauma and addiction. VR helps for those.

Am I talking in circles? Maybe I'm afraid of the affect that would follow if I connect all the dots.

It doesn't matter how non-functional you are, your basic needs must be met. Everyone should have a case worker, just for legal obligations, filing paperwork. Otherwise we're overloading the jails and hospitals. It's just whack-a-mole.

Where are all these cracks coming from? You can't just sign up for SSI or whatever; you need someone to hold your hand. Why don't we have social worker/case manager connections? My need for support will probably never go away. What happens when I lose my FSP?

I can get overwhelmed by the tiniest thing. I have to start with small goals. Making my bed every day is a good place to start. Someday I'd like to get my license and get back into therapy. I have guest lectured at USC and other places about media psychology.

I'm living in my second board and care now. I like that the environment here is non-judgmental. It's like living in the TV series MASH, being surrounded by the class clowns. When I go to my day program, I'm in group with people from my board and care, so that is very comfortable. It enhances the community feeling.

Adam's Sister's Story

Adam was the world's sweetest baby, my cherished little brother. As a teenager, he turned his passion for filmmaking into a profitable business and was a popular and successful student. In college, though, something happened. He became unstable and was diagnosed with bipolar disorder.

Despite repeated hospitalization, he managed to get his PhD in psychology. We were so proud, and we all kept hoping that the right medication would control his mania, that each round of therapy would help him commit to taking the meds. When he married, we were relieved. Finally, though, his unpleasant and bizarre behavior exhausted his wife, and they divorced.

When he lost his marriage, it was like he lost contact with himself, with us, with the reality of the world. He became one of those wild-eyed word salad people you turn away from on the street, out of fear or embarrassment or futility.

For our family, it was like having the rug pulled out from under us. Dad said he felt like his son had died, or that he was an alien imposter. It hurt, but you couldn't mourn.

I live closest, and I have two kids. I couldn't do anything; couldn't talk to anybody about it. I was isolated from my friends, never knowing when I'd have to drop everything and try to help him. He didn't have a stable place to live, and so nothing else in his life was working. He ran through his money, got evicted from several places, lived in his car.

He would disappear for months at a time, then call to scream at whoever answered, just turning our world upside down. He reported our dad to the professional certification board, claiming dad was a fraud. He shouted vile insults at our mother in a coffee shop, and she became afraid of him. At one point, he dressed up in a weird outfit and assaulted two police officers. That's when he lost his car.

You know, if he were an alcoholic, he could just check himself into a rehab facility, and they would help him. It's not that easy with this brain disease, with mental illness. He has to say he wants to harm himself or someone else if he wants help. And when he is at his sickest and really needs help, he's not aware of that fact.

For a couple of years, I didn't really sleep, even though I tried to block it out. Finally, I joined NAMI and found someone to help us navigate the system. Now he's in a board and care, and there's someone to take care of him, someplace for him to belong. We've all gotten our lives back.

It's important for every mentally ill person to have an advocate that's not their family. Adam's inability to control money was definitely an issue, and it's easy to see how that could lead to family shutting somebody out. Now he has a good place to live, where people make sure he takes his meds. He also has a conservator, and it's much easier for all of us. No more rounds of hospitalization, disappearance, and worry.

We need at least 25% more facilities. Leaving mentally ill people unhoused is destroying families, destroying society. Seriously mentally ill people can't take care of themselves. I used to call around

– so many phone calls – and couldn't find a good place for him to live. We needed help and thank goodness we finally found it.

Our lives have completely changed. He was basically dead or going to be dead. There was this horrifying thing that was supposed to be him. It was like an earthquake every time. You kind of expect it; you just don't know when. And now he says to me, You would not believe what it was like inside my mind. It was terrifying. So sad, so lonely, so scared. He was a prisoner inside his own head, and now he's free.

Why We Do It

These statements come from three interviews of current ARF + RCFE operators who took over existing board and care homes from relatives. The words are their own.

When I was growing up, I worked in the business. At first, I hung out with the clients, playing pool, basketball. It's still the most enjoyment I have - being with the clients.

Sure, I could make more money doing something else. But I can actually help the people here and keep them stable. I would've closed a long time ago if it weren't for the people living here, some of them for twenty years.

I stay in this business because I love the residents. I don't know how I will survive if there's no movement. I'm not the only one; facilities will keep closing.

My daughter isn't interested in taking over the business. I won't force her.

I have a BS in psychology and a good sense of people. My mom is also in the business, but I won't take over her home - it's too small to work. The model of succession doesn't work anymore. You have to pay professionals to do the work.

I'm thankful this is being addressed, finally. The longer you wait, the more facilities will close.

We're not just looking to fill a bed. We're not a motel. I have to be selective to protect the residents. If I take a violent person and they hurt someone, I'm responsible.

Clients are more difficult now than in the 1980s. They used to stay in IMDs for a year, so they were more stable when they came out. Now there is more substance abuse, homelessness, and there's less support, so it's much more challenging, and the money is less.

I really feel for the elderly with mental illness. No one wants them. There's going to be a real challenge there.

We help the consumers stabilize and keep them out of the ER, but it's impossible to show that we reduce ER admissions. How do we do it? A big factor is that we create community. They need to feel safe. We become one large family, and they thrive here.

Three quarters of the residents effectively have no family. This is their home.

It all boils down to community, camaraderie, support.

You have to care. I wouldn't treat my guys any way I wouldn't want for myself.

I insist staff give a certain kind of care – centering on respect. We don't tolerate rudeness.

An association of facilities with 1,500-10,000 residents could be an effective voice. We all feel so defeated. Anything is more than nothing.

Just No Way to Stay Afloat

Each of the three operators quoted here is more knowledgeable about the financial aspects of the business than many board and care operators. Here are their thoughts about the current business model.

I have an accounting background. I took over this business when my husband died. He was a parole officer, so he could handle challenging residents. I only take high-functioning people.

My brother-in-law roped me into this. I was a probation officer before. My staff makes this work. I have an administrator, who makes the money work and is my right hand, and a supervisor who understand the residents.

I was in finance before coming to help my mother-in-law out. I know how money works, and I'm behind on my rent to her now, because there's just no way to stay afloat.

For a larger facility like mine, we need a minimum of \$50 per day - \$1,500 a month. That's if we have other support, like a psychologist/psychiatrist to keep residents from decompensating and a full-time social worker to help us access services.

For a 100-bed facility we need at least \$2,000 a month per person – double the current rate. The developmentally disabled facility minimum rate is two and a half times ours.

I took out a second mortgage on both our properties, trying to keep them going while waiting for higher reimbursement. Now it looks like I may lose both of them.

Licensing used to be a support agency, provide technical assistance. Now it is an enforcement agency, assigning culpability. I run a tight ship, so I have no issues with them. But the model of issuing citations is not as helpful as supporting us.

Yes, we need to paint this place. I will spend weekends doing that myself.

Power bills are up 20-30% in the past year. The minimum wage will be going up July 1, then the next year and the next year. All expenses keep going up.

Food bills keep rising. We penny pinch, but steak once a month, shrimp once in a while would be great. Food is central to the kind of caring environment we provide. I don't know how this industry will survive.

I have to be selective about who lives here. When I meet someone, coming from the street or sober living, I say come back in 3 months. If I take a violent person and they hurt someone, I'm responsible. Right now, 35-40% of my payroll is workers' comp. If someone hurts a staff member, the increase in workers' comp would quickly put me out of business.

When Imperial Manor closed, 20 residents ended up in the hospital. How much do you think that cost?

More support personnel for us would make a big difference. We operate with bare minimum staff. Now we have one longtime resident on SSI who has breast cancer, needs to see a specialist, and can't go by herself. So that's a staff person, a car, a one hour drive each way, \$20 to park, gas, insurance, and 4-6 hours of employee time, with maybe some overtime. So, the tangible cost is about \$200 per excursion, repeated every week. Did I mention the resident receives only SSI? In the meantime, we're short an employee; so, there's more work for everyone, and some clients get neglected. If the county had a driver available to us, we wouldn't have to go in the hole to provide care for this person. Of course, we could just send her to another facility, where she wouldn't know anyone, and say "Good luck. Hope you get well there, without your community to support you." What kind of person does that to someone?

Sometimes It's Hard to Love You

Many operators lead with their hearts. They love their residents and love helping them. This operator tells the story of meeting and falling in love with his wife, before they bought their board and care business.

My mom is from Guatemala and has a 6th grade education. She was the scholar of the family and encouraged my education. I'm the first in my family to go to college. It took a few times, dropping out, trying to pay off my debt and going back. It took 10 years to get my degree in abnormal psychology. Now I'm working on my master's degree to become a LMT.

While in school, I met the love of my life when we both worked in an ARF. She asked me out several times, but I didn't think she was a serious person. Finally, she gave me candy, and I gave her a kiss. We dated for six years and have been married for sixteen. Now we have three kids, and her daughter from before works with us too. I guess she is serious.

In the beginning I worked for a big Adult Residential Facility, doing FSP. It was a very recovery-oriented company, and I learned how to be professional, to be strict but fair. Then I worked for the County for a while and made connections that helped us get here.

We lease this building. It was an existing facility that was totally disgusting - bed bugs, roaches, mice. Now it might not look the best, but it's clean. And the food is decent. If you and I wouldn't eat it, we're not going to serve it.

We really have a heart for this population. They are our customers. We treat them with respect and establish boundaries. My half-sister has mental illness. That's where my passion comes from.

What do you do; where do you get help? I know those questions, and I'm learning how to answer them.

This is our home. That means all of us. I tell our guys, "I love you. Sometimes it's hard to love you. But this is your family now, and if you can see that, things will change for you." And they do.

There's a shady side to the board and care business. You have to know discharge planners and have relationships to fill the beds. Some of them want to charge you the first month's rent as a fee. Once I made a deal to swap residents with this one operator. But then he kept his resident and mine too.

My wife goes out and makes friends. That's how you find the good operators. One of them helped us a lot in large ways and small, really mentored us. It's hard to make it when you're this small and all alone. It's hard.

Finding good employees is really hard. Then the case managers don't do their job, often just don't show up. There aren't enough hours in the day to do right by our people.

My wife is in the hospital right now, with her glucose out of control. It's stressful, but still we love it. Our dream is to open another facility. More beds would help us make some money.

Sources

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The County Health Agency

Cheri Todoroff, Department of Health Services

Consultants:

Elizabeth Sadlon

Lisa Kodmur

C Reed

Stakeholders:

How Stakeholders Participated	How Many Participated This Way
Attended small group and/or stakeholder summit	144
Participated in a 1:1 interview	27
<i>Both</i> attended and interviewed	21
TOTAL stakeholders with direct input	192

Participating stakeholders

As provided by participants in their registration

Advocates

Name		Organization
Artur	Atoyan	ANO Two
Chanh	To	Asian Coalition
Mike	Chindamo	College Hospital
Vanessa	Rios	CSH
Ellie	Stabeck	Former Advocacy Chair NAMI SGV
James	Morris	JMPM Consultants
Stacy	Dalgeish	L.A. County Mental Health Commission
Lyn	Slotky	LPS Conservation
Justin	Torres	Mental Health Hookup
Linda	Dorbacopoulos	NAMI
Wendy	Kauderer	NAMI
Kerry	Morrison	NAMI
Sharon	Yates	NAMI Los Angeles
Brittney	Weisman	NAMI Los Angeles County Council
Christina	Vera	NAMI Pomana
Paul	Stansburry	NAMI Southbay
Shelley	Hoffman	NAMI Westside Los Angeles
Jean	Harris	NAMI, Antelope Valley
Wayne	Meseberg	San Gabriel NAMI
Alana	Riemerman	Shelter Partnership
C. Cleo	Ray	
Alicia	Rhoden	
Claire	Tolentino	
David	Tolentino	

ARF + RCFE Operators

Name		Organization
Labo	Folayan	Abigail Health Care
Liz	Bijou	Amigo 1 & 2
Serob	Terzyan	Beckford Assisted Living
Galina	Samuel	Bel air guest home
John	Stienfield	Beverly Hills Gardens
Sam	Blake	Blake Home
David	Coloma	Brass Coloma Corp
Martha	Coloma	Brass Coloma Corp
Ted	Bonzon	Fair Oaks Manor
Vladimir	Chertok	Gilmar Manor
Annie	Cardillo	Glen Park Healthy Living
Lita		Golden State Lodge

MaryLou	Bernabe	Golden State Lodge
Judith	Schwartz	Highland Manor
Helen	Terzyan	Horace Assisted Living
Jonathan	Istrin	Libertana
Ana	Kunz	Olivia Isabel Manor
Lynn Kim	Tran	Olivia Isabel Manor
DeWalt	Brown	Pasa Alta Manor
Aharon	Strilks	Pasadena Adult Living
Santos	Dominguez	Pico Rivera Gardens
Julia	Elias	Pico Rivera Gardens
Favish (Moshe)	Weiss	Pico Rivera Gardens
Mark	Samuel	Sepulveda Residential
Edna	Leopoldo	Sharp Ave. Quality Care
Irma	Ramirez	Springfield Manor
Ari	Rosner	Sunland Manor
Dennis	Wilder	The Manor
Greg	Erdosi	Topanga West Guest Home
Michael	Bolong	Trucare Community
Michael	Bolong Sr.	Trucare Community
Ginger	Po	Valley Vista Residential Manor
Chris	Salvador	Valley Vista Residential Manor
Natalie	Neale-Singh	Villa Stanley East
Matthew	Chinichian	Westchester Villa
Bamba	Ramos	Westchester Villa
Alla	Neyman	Westside Manor
Melchor	De Leon	Whitten Heights Assisted Living & memory Care
Vic Jun	Flores	Wilmington Gardens
Helen	Alba	
Lilia	B	
Peace	Chan	
Stephen	H	
Jhay	Maniwang	
Clarel	Martine	
Pascalle	Martine	
Carliss	Monroe	
Emma	P	
Jeffrey	Po	
Michael	Rosb	
Mary Grace	T	
Sim	Ulrich	

Resident, consumer, family member

Name		Organization
Angela	Guida	Golden State
Mark	Gale	NAMI
Tristan	Scremin	Painted Brain
Debbie	Buxar	
Tammy	Castor	
Josh	Cohen	
Sue	Cohen	
Joe	Guida	
Antonio	Ramos	

Government agency, initiative

Name		Organization
Bruce	Saltzer	Assn. of Community Human Service Agencies
Stacy	Barlow	CA Dept Of Social Services Adult & Senior Care Program
Pam	Dickfoss	California Department of Social Services
Monique King	Viehland	CDC/ HACoLA
Shannon	Parker	DHHS
Lidia	Melcher	DHS
Sonya	Smith	DHS
Beatrice	Tan	DHS
Ronnie	Thomas	DHS
Gabriela	Flores	DHS Housing for Health
Jaclyn	Drown	DMH
Maria	Funk	DMH
LaTina	Jackson	DMH
Martin	Jones	DMH
Caroline	Kelly	DMH
Mimi	McKay	DMH
Keris	Myrick	DMH
Manuel	Rosas	DMH
Jonathan	Sherin	DMH
Jacquelyne	Wilcoxon	DMH
Stacy	Williams	DMH
Victor	Bascos	DMH AVMHC
Pamela	Inaba	DMH Housing Workgroup
Valeria	Valadez	DMH-SCVMHC
Patricia	Nwaekeke	Higher Level of Care Services, Housing for Health - Access, Referral and Engagement Unit, Los Angeles County Department of Health Services
Libby	Boyce	Housing for Health, DHS

Cheri	Todoroff	Housing for Health, DHS
Christina	Tuson	Los Angeles City Attorney
Art	Sanchez	Los Angeles County
Liliana	Palacino	LADMH
Marina	Genchev	LAHSA
Luis	Leyva	Los Angeles County Office of the Public Guardian
Patricia	Russell	NAMI
Nicole	Powell	Office Of Supervisor Ridley-Thomas
Connie	Draxler	Office Of The Public Guardian
Fernando	Plazola	Office of the Public Guardian
Gilda P.	Ramos	Office of the Public Guardian Department of Mental Health
James	Coomes	Olive View Community MH Urgent Care Center
Louisa	Ollague	Supervisor Hahn's office
Molly	Rysman	Supervisor Kuehl's office
Rachael	Simon	Supervisor Kuehl's office
Blake	Dewveau	
Steve	Dominguez	
Max	Estrada	
Lucinda	Hayes	
Lynn	Katano	
Matt	Lust	
Ryan	Mulligan	
Alan	P	
Jennifer	Vallejo	

Healthcare provider

Name		Organization
Laurie	Ross	Antelope Valley Hospital
Steve	Jennings	Aurora Charter Oak Hospital
Dr. Jennifer	Rousch	BHC Alhambra Hospital
Dino	Leonardi	Cedars-Sinai Medical Center
Stacey	Hill	Citrus Valley Health Partners
Joe	Avelino	College Medical Center
Howard	Mationg	Del Amo Hospital
Velencia	Murphy	Del Amo Hospital
Sandra	Maldonado-Aviles	Harbor-UCLA Medical Center
Jennifer	Murray	Harbor-UCLA Medical Center
Marcia	Penido	Huntington Hospital
Trevor	Asmus	Las Encinas Hospital
Gabriel	Stauros-Caldwell	Las Encinas Hospital
Olga	Felton	Los Angeles Jewish Home
Bob	Trostler	SFV CBAS

LaCheryl	Porter	St. Joseph Center
Inez	Otbo	6Beds
Hector	Rivera	6beds
Roberta	Mendonca	6Beds Foundation, Inc.
Gina	Wasdyke	6Beds, Inc.
Jaime	Garcia	Hospital Association of Southern California
Esther	Aguilera	Housing for Health

Other service provider

Name		Organization
Chess	Brodnick	Anne Sippi Clinic
Caitlin	Leeger Langan	Career Smart
Jeff	Fox	DBSA
Sean	Markie	Helping Hands Senior Foundation
Carol	Liess	Homes for Life
Deborah	Gibson	Homes For Life Foundation
Martha	Delgado	Illumination Foundation
Karen	Hess	Jewish Family Service of Los Angeles
Maria	Morris	JMPM Consultants
David	Neptune	Mental Health America of Los Angeles
Barbara	Wilson	Mental Health Hookup
Robert	Perez	Placement Helpers
Joseph	Bantle	Project Return
Guyton	Colantuono	Project Return
Ashley	Flores	Project Return Peer Support Network
Steve	Gilbert	Realtime Sr. Living
Sawako	Nitao	SHARE!
Ricardo	Munoz	Telecare LAOA
Jasmine	Brizuela	Brilliant Corners
Chris	Contreras	Brilliant Corners
Ryan	Macy-Hurley	Shelter Partnership
Elizabeth	Bromley	UCLA

Foundation, funder

Name		Organization
Dalma	Diaz	United Way of Greater Los Angeles
Chris	Ko	United Way of Greater Los Angeles
Emily	Bradley	

Other

Name		Organization
Paulette	Grant	Andrews Independent Living
Mike	Austria	Austria.inc
Loida	Barrientos	WFG
Rafael	Diaz	
Michael	Vu	

Possible areas for action drawn from:

- "White Paper: Preserve and Support Existing Adult Residential Care Facilities for Low-income Adults and Seniors with Mental Illness and Other Disabilities, to Prevent These Individuals from Falling Into, Continuing In, or Returning to Homelessness," submitted to the California Homeless Coordinating and Financing Council, 2019
- "A Call to Action: The Precarious State of the Board and Care System Serving Residents Living with Mental Illness in Los Angeles County" L.A. County Mental Health Commission, Jan. 2018.
- "Supporting Affordable Assisted Living in San Francisco," SF City/County Long Term Care Coordinating Council, Jan. 2019.
- "Adult Residential Facilities (ARFs): Highlighting the critical need for adult residential facilities for adults with serious mental illness in California", CA Behavioral Health Planning Council, March 2018.
- "A Data-based Re-design of Housing Supports and Services for Aging Adults who Experience Homelessness," Dr. Dennis Culhane et al, 2018
- "The Aging Homeless Population in LA County: Projected Costs, Housing Models and Cost Offsets Results," Dr. Dennis Culhane et al, 2018
- "Addressing San Francisco's Vulnerable Post-Acute Care Patients: Analysis and Recommendations of the San Francisco Post-Acute Care Collaborative," 2018
- "Housing Options for High-Need Dually Eligible Individuals: Health Plan of San Mateo Pilot," Center for Health Care Strategies," 2016
- Stakeholder interviews
- Small group discussions
- Stakeholder summit



DEPARTMENT OF MENTAL HEALTH

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Curley L. Bonds, M.D.
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February 12, 2020

TO: Supervisor Kathryn Barger, Chair
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Janice Hahn

FROM: Jonathan E. Sherin, M.D., Ph.D., Director
Department of Mental Health

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

Background

On November 11, 2019, the Board passed a motion addressing the ongoing Board and Care Crisis in Los Angeles County. The motion highlighted the Board's continued concerns about the vulnerability of Adult Residential Facilities (ARF) and Residential Care Facilities for the Elderly (RCFE), known as Board and Care and Assisted Living Facilities that serve low-income individuals. The crisis is due in large part to the low reimbursement rate set by the State for residents with Social Security Income (SSI). The resulting insufficient revenue combined with ever increasing operating costs have led to the closure or repurposing of several facilities that accepted SSI recipients across the county. Many of the facilities that have remained in business continue to operate in the red and struggle with issues of deferred maintenance as a result. The Department of Mental Health (DMH) and the Department of Health Services (DHS) have invested in strategies to address this issue including each funding an Enriched Residential Care (ERC) Program, which provides enhanced rates to operators for eligible high acuity clients residing in their Board and Care facilities. Unfortunately, providing enhanced rates to identified clients has not been sufficient to address the needs of the system as a whole and facilities across the County continue to struggle.

On December 18, 2019, the initial 30-day report back informed the Board that DMH had identified \$11.7 million of Mental Health Services Act funding, which is available for use this fiscal year to address several priorities that will strengthen the Board and Care network. As detailed in the previous report, this funding will be allocated for the following purposes:

1. \$11.2 million will be used to establish a capital improvements grant program that will target facilities that serve clients on SSI who are diagnosed with serious mental illness and will provide funding to address the ongoing issue of deferred maintenance that has resulted from years of underfunding;
2. \$500,000 will be used to seed a membership organization for ARF/RCFE operators who serve low income individuals; and
3. An undetermined amount may also be used for the creation and implementation of a bed-tracking tool to assist the community in finding appropriate ARF/RCFE placements as well as assist operators in efficiently filling vacant beds to avoid loss of income due to vacancy. This is likely to come at low- or no-cost since the Departments will leverage a DMH bed-tracking tool that is already in development.

The Board also asked that DMH report back in 90 days, and every 180 days thereafter, in coordination with the Chief Executive Office (CEO), DHS and Department of Public Health (DPH) and report on the following actions:

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 ARF and RCFE;
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 ARF and RCFE serving low-income individuals.

Strategy to Preserve Bed Capacity through Enriched Residential Care (ERC)

DMH and DHS are engaging in several strategies that are aimed at preserving bed capacity and expanding the number of people benefitting from the ERC programs. First, when the Departments receive information about facilities at risk of closure through various sources, including Community Care Licensing Division (CCLD), advocates, case managers working directly with clients, and facility operators, the Departments work together with CCLD to collaborate around ways to support the facility and prevent the closure. DMH has been specifically targeting facilities serving DMH clients that are struggling and not yet benefitting from the ERC Program by working with Service Area staff to identify eligible residents and supporting referring case managers as well as operators through the referral process. By expanding the number of facilities that receive the Enhanced Rate funding for their residents, closures will be mitigated and placement

options for clients will be expanded. DMH will continue to accept referrals to the ERC program until funding capacity is reached. Though DHS' ERC program had reached capacity, the Department was recently able to expand their ERC Program as a result of allocating additional funds for this purpose. This additional capacity will be targeted toward homeless individuals with high vulnerability who are currently in DHS inpatient facilities with no other discharge option. These efforts of both Departments will serve to preserve bed capacity in the facilities where our vulnerable clients reside.

Other Strategies to Build and Preserve Capacity

The ERC programs managed by each department are just one of the ways that DMH and DHS are working to maintain the capacity of ARF and RCFE across the County.

Department of Public Health, Substance Abuse Prevention and Control (DPH-SAPC) is continuing a pilot to provide onsite substance abuse services at an ARF in Pasadena. If this pilot is successful, we hope to expand this to other large facilities to provide support to operators around accessing treatment for residents with Substance Use Disorders. This will help to build facilities' capacity to serve clients with complex needs.

DMH and DHS are also working with County Counsel to develop a process to allocate the \$11.2 million to operators for capital improvements. We are exploring different options with the goal of having a streamlined process for the operators while also meeting the County's contracting requirements such as prevailing wage and CEQA. We will continue these conversations with the goal of coming to an agreement on the process and developing the solicitation in Spring 2020.

Highlighted in the December 2019 report back, DMH and DHS are continuing to explore approaches to seeding a membership association for operators who serve individuals diagnosed with mental illness receiving SSI income. This organization will provide a space for operators to come together to explore best practices, create training opportunities and collaborate around strategies to advocate for their collective needs.

Furthermore, responding to stakeholder feedback about improving the quality of services provided in ARF and RCFE serving people with mental illness, DMH and DHS are offering a free continuing education course on March 4, 2020, for operators of facilities that serve people with mental illness. The two-hour course, which will be offered in Service Area 2, will focus on the signs and symptoms of mental illness and will offer effective strategies to help facility operators interact with residents with a diagnosis of mental illness. Participants may use the course to fulfill some of their mandatory continuing education requirements. Once the course is complete, we will explore offering it in locations all over the county to ensure a broad range of operators have access.

Lastly, DMH and DHS strongly value the role that stakeholders have played helping us to better understand and respond to the needs of facilities across the County. For this reason, we are planning to host quarterly meetings to convene our stakeholders for

continued input. The next stakeholder meeting scheduled for February 18, 2020, will convene around 100 stakeholders at the California Endowment and will include representatives from DMH, DHS and CCLD to provide updates on County actions and create a space for attendees to address questions, discuss solutions, and provide continued input on the needs of ARF and RCFE.

Opportunities for Advocacy at the State Level

Since the last report back on this matter there has been significant advocacy at the State level to improve funding for ARF and RCFE. The County Behavioral Health Director's Association (CBHDA) submitted a proposal to Governor Newsom requesting \$500 million of one-time funding, to immediately address the financial crisis for ARF and RCFE, while longer-term solutions are explored. In January 2020, pursuant to a Board-approved motion, the Board of Supervisors sent a five-signature letter to the Governor urging him to support CBHDA's proposal. Though the Governor did not include the full request for \$500 million to be dedicated for this purpose in the initial release of his budget, \$750 million was allocated for housing, including for those residing in ARF/RCFE, which the County is also supporting pursuant to a Board-approved motion on January 21, 2020. The Department continues to collaborate with CEO Legislative Affairs and Intergovernmental Relations to support the Board's motion to advocate for the CBHDA proposal to sustain the Board and Care Network. We are also working to ensure the Medi-Cal Healthier California for All waiver proposal includes support for facilities through the In Lieu of Services options, which will incentivize health plans to place members in ARF and RCFE in lieu of more costly, more restrictive settings. In addition, we continue to work with Assemblymember Richard Bloom and the Steinberg Institute on advancing County-supported AB 1766, a bill Assemblymember Bloom authored last year, that will improve the data we need to effectively support the ARF and RCFE.

Updates on Data and Closures

ARF/RCFE continue to close, with the most recent ARF closure occurring in December 2019. This closure resulted from the expiration of the operator's lease because of the property owner's decision to sell the property for a large profit. As per the most recent data provided to the County by CCLD, there have been 45 closures, reflecting the loss of a total of 1,226 ARF beds across the County between January 2016 and December 2019. This reflects an additional six (6) closures and 277 beds lost since the previous data that CCLD provided in May 2019. Based on CCLD data, at this time there are a remaining 149 ARF across the County with a total capacity of 5,099 beds that serve individuals experiencing mental illness receiving SSI income. While this data provides some understanding of the crisis at hand, it is important to note that this data only includes information about ARF. CCLD does not have capacity at this time to provide the same level of data for RCFE; therefore, it is not possible to have a full understanding of the beds lost through RCFE closures. In our next report, we plan to provide further analysis of closure trends.

Opportunities to Engage Philanthropy

Lastly, at the direction of the Board, DMH and DHS have continued to explore ways to leverage our partners in philanthropy to support ARF and RCFE. On January 15, 2020, Dr. Sherin presented to the United Way Funders Collaborative regarding the struggles of ARF and RCFE across the County, as well as the importance of this housing resource for the County's most vulnerable residents. During this meeting, various funders expressed interest in working with DMH and DHS to explore ways they may be able to contribute to solutions around this crisis. Following this meeting, DMH and DHS met with representatives from UniHealth Foundation, Cedars-Sinai Medical Center and California Community Foundation who offered their expertise and support to the County with regard to these efforts. DMH and DHS have also engaged with the Center for Strategic Partnerships to further explore ways to acquire philanthropic funding to support our efforts to strengthen ARF and RCFE.

DMH will continue to work with the CEO, DHS, DPH, CEO Legislative Affairs and Intergovernmental Relations on these efforts to preserve vital housing resources for our most vulnerable clients throughout the County.

Next Steps

DMH will continue to work with DHS and County Counsel on developing and implementing a solicitation process for capital improvements. We will continue to gain philanthropic support for these efforts including a potential grant for technical assistance to seed an ARF/RCFE association. We continue to engage stakeholders and rely on their experience and expertise to guide this process. Our next update will be submitted on August 7, 2020.

If you have additional questions, please contact Maria Funk, Deputy Director, at (213) 251-6582 or mfunk@dmh.lacounty.gov.

JES:MF:ymm

c: Executive Officer, Board of Supervisors
Chief Executive Officer
County Counsel
Auditor Controller
Department of Health Services
Department of Public Health



DEPARTMENT OF MENTAL HEALTH

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Gregory C. Polk, M.P.A.
Chief Deputy Director

Curley L. Bonds, M.D.
Chief Medical Officer

July 23, 2020

TO: Supervisor Kathryn Barger, Chair
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Janice Hahn

FROM: Jonathan E. Sherin, M.D., Ph.D.
Director

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

Background

The Board of Supervisors passed a motion on November 12, 2019, highlighting their continued commitment to the preservation of licensed Adult Residential Facilities (ARFs) and Residential Care Facilities for the Elderly (RCFEs) in the County, also known as Board and Care Facilities. These licensed residential facilities serve as a critical housing resource for individuals who are unable to maintain housing independently and need varying levels of care and supervision in order to remain stable. This motion acknowledged the continued crisis of underfunding faced by the subset of licensed residential facilities that accept individuals receiving Supplemental Security Income (SSI) and directed the Department of Mental Health (DMH), Department of Public Health (DPH), and the Department of Health Services (DHS) to take specific actions to preserve and expand the stock of these facilities within the County.

DMH and DHS most recently reported back to the Board on their continued work to support licensed residential facilities on February 12, 2020. In this report, DMH gave updates on the Board's directives from the November 2019 motion including:

1. DMH had identified \$11.2 million for a capital improvements project that would address deferred maintenance in licensed residential facilities that has resulted from years of underfunding. At the time of the last report, DMH was working with

County Counsel to explore the best way to streamline this project while ensuring that the County's contracting requirements were met and that any improvements made were necessary and met a quality standard. DMH and DHS were also beginning to work with philanthropic partners to explore their potential role in supporting this work;

2. DMH had identified \$500,000 to be used to seed a membership association. At the time of the last report, DMH was working internally to determine how best to select a partner organization to begin this association;
3. DMH and DHS had committed to implementing a public-facing bed tracking tool which would allow members of the community, including case managers, to more easily identify appropriate vacant licensed residential facility beds. This was aimed at helping facilities maintain a full census to ensure income was not impacted by unfilled beds. At the time of the last report, DMH was exploring the use of a DMH bed tracking tool already in development;
4. DMH and DHS reported on other efforts aimed at improving the quality of services in licensed residential facilities. This included the planned implementation of a pilot program through the Department of Public Health, Substance Abuse Prevention and Control (DPH-SAPC) to provide on-site services for residents experiencing substance use disorders (SUDs). This also included offering free Continuing Education trainings to licensed residential facility operators that focus on mental health in an effort to ensure that County-contracted facilities are equipped to serve clients with mental illness; and
5. DMH also reported on advocacy at the state level to increase the Non-Medical Out-of-Home Care rate also known as the SSI rate. This included a report on the County Behavioral Health Directors Association's (CBHDA) proposal to Governor Newsom requesting \$500 million to address the immediate funding needs of licensed residential facilities. At the time of the last report, the Governor had included \$750 million in the State Budget related to housing and homelessness, for which one allowable use was licensed residential facilities.

Shortly after the February 12, 2020, report back, the COVID-19 health crisis began to threaten Los Angeles County, causing high levels of anxiety for licensed residential facility operators due to the unique vulnerability their residents and facilities faced. Recognizing this, DMH and DHS quickly shifted focus away from many of the pending projects listed above and toward providing support around addressing COVID-19.

Licensed Residential Facilities and the COVID-19 Health Crisis

Beginning in late February 2020, DMH and DHS pivoted efforts toward preparing licensed residential facilities participating in their Enriched Residential Care (ERC) programs along with other DMH programs that utilize licensed residential facility housing for the impacts of the COVID-19 health crisis. In particular, DMH and DHS recognized that licensed residential facilities were in a uniquely vulnerable position related to COVID-19 for a number of reasons. To begin, these facilities often house a large number of residents in double rooms with many shared common areas, posing challenges to infection control measures. These facilities also serve a population that includes many who experience serious mental illness and/or substance use disorders, posing safety challenges as many residents are not able to easily comply with the County's stay-at-home orders. Lastly, because these facilities are already under-resourced, the additional costs of preparing for and addressing COVID-19 would worsen the existing funding crisis experienced by these facilities.

To help address these challenges, DMH and DHS began gathering, creating, and disseminating various COVID-19 related resources and guidance to its ERC licensed residential facility operators. This included assisting facilities with accessing Personal Protective Equipment (PPE), providing preparedness checklists and conducting technical assistance phone calls to help facility operators think through infection control practices and quarantine and isolation plans in preparation for any positive cases. Effective March 13, 2020, the Deputy Medical Director for DHS' Housing for Health, Emily Thomas, M.D., also began hosting weekly webinars providing guidance to ERC facilities around how to prepare for COVID-19. Topics for these webinars have included public health, resident screening, use of PPE, quarantine and isolation guidelines, and testing and responding to outbreaks. In addition to this, DMH and DHS have continued to provide ERC facilities with resources and guidance by email and phone including follow-up for any facility that expresses the need for support or has COVID-19 positive residents. Much of this work has been done in collaboration with DPH and the California Department of Social Services Community Care Licensing Division (CCLD) to ensure that any guidance provided is in alignment with the Health Officer Orders and licensing regulations.

To address the additional funding constraints imposed by COVID-19, DMH was also able to offer its ERC licensed residential facilities an additional COVID-19 Special Enhanced Services Rate of \$1,240 per month per DMH client for the months of February through June 2020. This was in addition to the existing enhanced services rate of \$760 per month per DMH client already provided to the facilities. Funding for the COVID-19 Special Enhanced Services Rate was identified from surplus funding for a program that was implemented during Fiscal Year 2019-20 and had not fully ramped up. While aware that

the COVID-19 crisis is far from over, DMH will not have the funding capacity to continue the COVID-19 Special Enhanced Services Rate increase into next fiscal year.

In an effort to decompress hospitals, DMH and DHS began to quickly place clients exiting higher levels of care, such as hospitals, into licensed residential facility placements. The DHS ERC program was approved to add an additional 300 slots for clients exiting DHS hospitals who are in need of care and supervision and who would become homeless without this resource. At this time, DHS has made 187 placements with this newly identified funding resource. Similarly at the start of the COVID-19 crisis, DMH began its Cascade Project, which aims to move clients out of County hospitals as appropriate and into other levels of care in order to ensure hospital capacity for COVID-19 patients. The flow for these efforts includes moving DMH clients from inpatient hospitalizations to Institutes for Mental Disease (IMDs) to Enriched Residential Services (ERS) programs and finally to community based housing including licensed residential facilities funded by DMH ERC. To date DMH ERC has processed referrals for 62 clients through the Cascade Project. The licensed residential facilities that accepted clients from the Cascade Project also received the COVID-19 Special Enhanced Services Rate. One of the largest issues that has arisen for ERC licensed residential facilities related to COVID-19 has been the limited access to mobile testing for these sites. While these facilities have some commonalities with Skilled Nursing Facilities (SNFs), they are nonmedical in nature and do not have the same capacity to use existing staff to conduct onsite COVID-19 testing, and the County has not identified dedicated staffing to do testing in these facilities.

For this reason, DMH and DHS have partnered with the Veterans Administration of Greater Los Angeles, Long-Term Care Ombudsman Program and CCLD, to form a workgroup focused on collaborating with facilities to identify a testing strategy based on guidance from DPH. In many cases, this has included providing facilities with information about private labs that are able to go to the facilities to conduct testing and information about how the labs can bill the health plans. On June 26, 2020, CCLD issued a Provider Information Notice, which provided guidance around testing for licensed facilities, which included an admission testing requirement, requirements for bi-weekly testing for facilities with COVID-19 positive cases and surveillance testing for facilities with no reported cases. The workgroup will continue to work collaboratively with CCLD to ensure that facilities are able to comply with the newly issued CCLD guidance. The workgroup has also begun sending out weekly surveys to monitor the experiences licensed residential facilities have had with COVID-19. This survey allows DMH and DHS to intervene quickly and in a coordinated manner to provide guidance and technical assistance around any emerging outbreaks. DMH, DPH, and DHS continue to remain dedicated to providing continued support to these facilities and continuing to build out our COVID-19 response

work to promote preparedness and testing access in licensed facilities across Los Angeles.

Plans Moving Forward

As much of the infrastructure around COVID-19 guidance and support has been put into place and is continuing to develop, the Departments are beginning to revisit projects that had been put on hold during the initial months of the pandemic. This includes reviving work on the creation of the bed-tracking tool, seeding a membership association, implementing a capital improvements program, and proceeding with implementing our plan to preserve and expand bed capacity in licensed residential facilities across the County.

At the beginning of June, DMH began to revive work around creation of a bed tracking tool. Currently the plan is to utilize DMH's bed tracking system that is in development. DMH and DHS are currently working with DMH's Chief Information Office Bureau to upload a list of all of the licensed residential facilities that serve DMH and DHS ERC clients. The next step will be to work with the licensed residential facilities on a workflow to update vacancy information in real time as beds become available, which would allow referring agencies and community members to quickly identify potential placements. It is anticipated this bed-tracking tool will be ready to go live in the fall of 2020.

DMH has also begun to revisit plans to release a solicitation for the creation of a membership association. For this project, we plan to release a Request for Proposals in the next few months.

DMH and DHS are also revisiting the plans to implement a capital improvements program to address the issue of deferred maintenance in licensed residential facilities that has resulted from many years of underfunding. While this program was initially envisioned to be a grant program, DMH and DHS are exploring partnering with the Department of Public Works to leverage their handyman program which will provide a list of vetted contractors who can make necessary repairs. This will help ensure quality and of work. Furthermore, DMH and DHS have secured a commitment from philanthropic partners. We are also working with philanthropic partners on strategies related to the preservation and expansion of licensed facilities. These partners, especially those involved in healthcare, recognize the important role these resources play in the continuum of supportive housing. Together we are exploring plans for acquiring facilities that have closed or that are currently being rented by the licensed residential facility operator. DPH is also resuming efforts to implement the onsite substance use disorder pilot since, due to COVID-19, the originally identified SUD treatment provider was no longer able to provide staff for the

pilot program. DPH-SAPC has identified another SUD treatment provider and anticipates that SUD services will be available at the pilot site by the next report back.

Regarding our legislative work, prior to COVID-19, it seemed possible that one-time State General Funds to stabilize and prevent the loss of the additional ARFs and RCFEs and begin to rebuild supply would be considered in the budget process. Accordingly, the CBHDA budget request for \$500 million was co-sponsored by the County. In an attempt to continue to advocate for funding for ARFs and RCFEs at-risk for closure, Los Angeles County along with CBHDA and Steinberg Institute requested that DHCS leverage federal funding and submit a COVID-19 Public Health Emergency Section 1115(a) Waiver proposal on ARFs and RCFEs to the federal Centers for Medicare and Medicaid Services (CMS). However, the Administration declined to submit the proposal. Given the economic impact of COVID-19, the work to obtain short-term funding while working on a long-term plan to increase the Non-Medical Out-of-Home Care rate has stalled. On a more hopeful note, the recently finalized Fiscal Year 2020-21 State Budget included the purchase of ARFs and RCFEs for permanent housing as an eligible use of CARES Act funding as a result of local advocacy. A listing of ARFs and RCFEs that have closed in the past several years has been developed and submitted to the Chief Executive Office for consideration. This provides a unique opportunity for the County to expand the number of licensed facilities and beds by purchasing and operating facilities that were already in the community used for this purpose.

However, DMH continues to collaborate with the office of Assemblymember Richard Bloom around Assembly Bill 1766 which would require the State to expand data collection related to licensed residential facilities and to ensure that up-to-date information is available to counties around which facilities have the capacity to serve individuals with mental illness as well as which are able to accept clients at the SSI rate. The COVID-19 pandemic made clear the need for easily accessible and robust data that highlights the great work the licensed residential facilities are doing on behalf of some of the most vulnerable residents of Los Angeles County.

Data and Closures

Since the last report back to the Board there have been three (3) additional licensed ARFs that have closed or are pending closure including Abby's Board and Care, Alma Lodge, and Golden State Manor. These facilities collectively reflect a loss of 78 additional licensed beds across the County. Although DMH and DHS did not have a relationship with Abby's Board and Care, both Alma Lodge and Golden State Manor were receiving funding from DMH and closed in spite of this augmented funding. DMH worked with clients residing in these facilities to ensure that stable placement was identified for each prior to the facility closure. The attached chart (Attachment 1) shows the number of facility

Each Supervisor
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Page 7

closures and related beds loss of ARFs that serve individuals with mental illness from 2016 to present. This chart reflects a total loss of 51 facilities and 1,338 beds lost during that period. We were also recently able to obtain data from CCLD indicating that 92 RCFEs with 807 beds have closed from January 2019 to present. However, since CCLD does not have data regarding the population served, it is unclear whether these closed facilities served clients with mental illness or accepted residents at the SSI Rate. DMH and DHS continue to work closely with facilities as well as CCLD to collaborate around ways to avoid future closures.

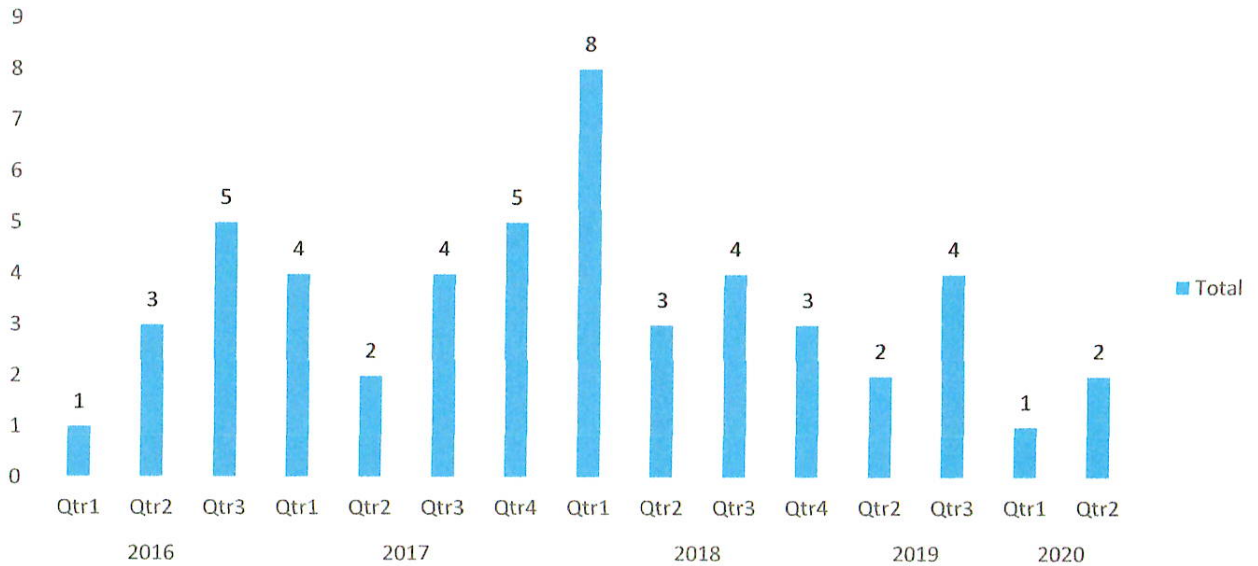
Though the future may be unclear around funding for licensed residential facilities and though we continue to see closures, DMH, DPH, and DHS remain dedicated to the work related to supporting these invaluable housing resources throughout the County.

If you have any questions, please contact Maria Funk, Deputy Director, at (213) 251-6582 or mfunk@dmh.lacounty.gov.

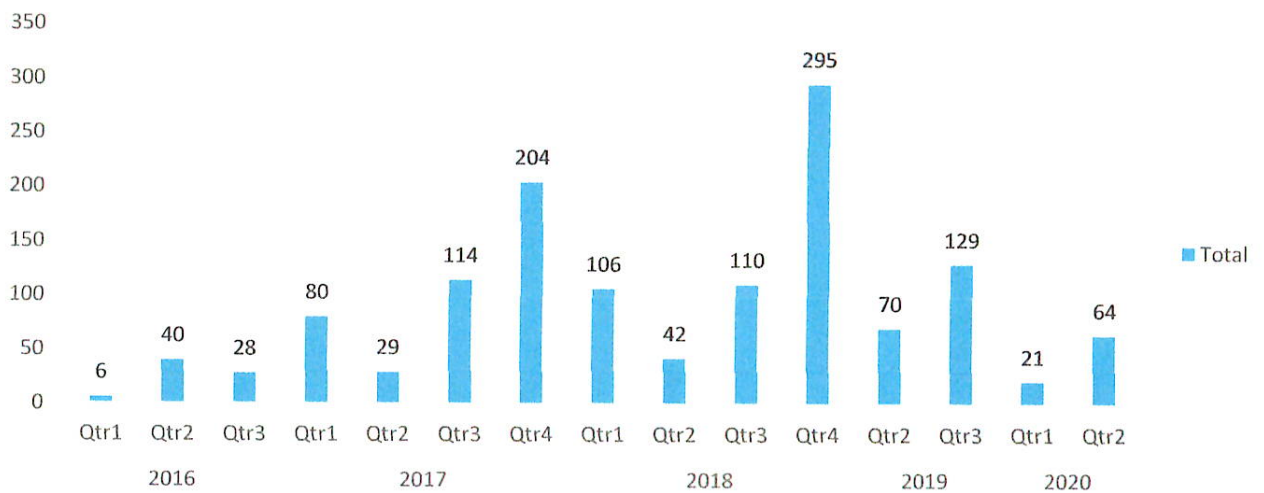
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Attachment

Number of Closures of Adult Residential Facilities for Mental Illness by Quarter 2016 to Present



Number of Beds Lost in Adult Residential Facilities for Mental Illness by Quarter 2016 to Present





DEPARTMENT OF MENTAL HEALTH

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March 10, 2021

TO: Supervisor Hilda L. Solis, Chair
Supervisor Holly J. Mitchell
Supervisor Sheila Kuehl
Supervisor Janice Hahn
Supervisor Kathryn Barger

FROM: Jonathan E. Sherin, M.D., Ph.D.
Director

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

Background

As directed by the Board of Supervisors, in a motion passed November 12, 2019, the Los Angeles County Alliance for Health Integration (Alliance) has remained committed to the work of supporting and preserving Adult Residential Facilities (ARFs) and Residential Care Facilities for the Elderly (RCFEs), also known as Board and Care Homes and Assisted Living Facilities, that provide housing for vulnerable low-income residents within Los Angeles County (LA County), including those who are homeless. The Alliance last provided an update to the Board on July 23, 2020, which highlighted how the work to preserve these facilities had shifted to providing them with resources, support and guidance to manage the COVID-19 health crisis. While this delayed the implementation of other related projects, our COVID-19 response has been critical to the preservation of these facilities. Prior to COVID-19, these facilities were already in crisis due to years of underfunding, and the pandemic has only further strained their capacity and resources. Although we believe the impact of COVID-19, including outbreaks and deaths, has been significantly less than it would have been without our collaborative work with the Community Care Licensing Division (CCLD) and others to provide ongoing and intensive technical assistance, we have unfortunately still seen many facilities experience COVID-19 outbreaks and closures. While the closures occurred for various reasons, it is abundantly clear that the level of stress imposed by COVID-19, along with the continued

strain caused by an unsustainable funding structure, has exacerbated the risk of closure for these already vulnerable community housing resources.

In addition to the Alliance's continued COVID-19 related responses and supports, we have begun to redirect our focus to the other projects that were put on hold due to the pandemic. This notification will provide updates on the projects highlighted in the July 2020 Board Notification including:

1. Continued collaborative efforts of the Alliance with other county, State, and outside partners to mitigate the impacts of COVID-19 in licensed care facilities, especially those that serve clients of the Departments of Mental Health (DMH) and Health Services (DHS) or other residents that experience mental illness and receive Supplemental Security Income (SSI).
2. Progress toward the implementation of a Capital Improvements Program, funded by \$11.2 million identified by DMH at the direction of the Board, including updates around collaboration with philanthropic partners, which will expand and add depth to the project.
3. Progress toward the upcoming release of an RFP that will provide \$500,000 in funding to the awardee to seed a membership association for licensed care facility operators and administrators.
4. Progress toward the creation of a bed tracking tool, which will allow licensed care facilities to update information on vacancies in real time.
5. Efforts by the Alliance to work with other local and statewide partners on a more sustainable State funding stream and structure for ARFs and RCFEs that serve residents receiving SSI.
6. Legislative efforts aimed at better supporting licensed care facilities through both broadened data collection and increased funding opportunities.
7. Closures that have occurred since the last Board Notification, including barriers to obtaining complete and accurate closure information.

COVID-19 Response in ARFs and RCFEs

Since the beginning of the COVID-19 health crisis, the Alliance has been at the forefront of the COVID-19 response in licensed care facilities. As described in the July 2020 Board Notification, at the onset of the pandemic, DMH and DHS, in collaboration with CCLD and the Department of Public Health (Public Health), immediately pivoted their work to provide technical assistance and guidance to facilities through email correspondence, telephonic follow-up calls, and regular webinars. As the pandemic progressed, Public Health moved into the role of more comprehensively managing outbreak response, while DMH and DHS joined efforts with other partners, including CCLD, the Veterans Administration (VA), and the Long-Term Care Ombudsman (LTCO), to coordinate and collaborate around the ongoing COVID-19 response in facilities, with a special focus on capacitating facilities serving low income residents, which were especially vulnerable due to underfunding.

Through the response system implemented, a collaborative partner lead was assigned to each facility and tasked with targeted telephonic follow up. Through this collaboration, surveys were, and continue to be, sent out on a weekly basis to approximately 350 ARFs and RCFEs that serve DMH or DHS clients or that meet specific vulnerability criteria. This survey asks basic information regarding a facility's recent experiences with COVID-19, including whether in the past week any residents have tested positive for the virus. For those facilities reporting new positive cases, the lead follows up with a longer questionnaire, which allows staff to better understand the ways a facility is managing the outbreak and how to target further guidance to strengthen outbreak response. This follow-up guidance is provided mainly by phone and includes information on how to report an outbreak to Public Health and CCLD, how to access and use appropriate Personal Protective Equipment (PPE), and how to link to community resources for ongoing outbreak and surveillance testing for staff and residents.

In order to ensure that clients were able to continue to access ongoing healthcare services in spite of the limitations imposed by COVID-19 on in-person visitations and on-site services, many of these services were pivoted to telehealth. To facilitate this transition, DHS secured a donation of 111 tablets that were distributed to DHS and DMH Enriched Residential Care (ERC) facilities. These tablets are intended to ensure that clients with high acuity physical and mental health concerns can continue to access services including primary care, specialty care, mental health, and substance abuse services through telehealth. DHS and DMH continue to work together to monitor and track the use of these tablets in order to better understand the impact of these tablets on access to ongoing care.

Starting in November 2020, DHS also intensified COVID-19 response in licensed care facilities by implementing two COVID-19 Response Teams (CRTs), one for North County and another for South County, which are each comprised of a program manager, an administrative assistant, a registered nurse (RN), and a licensed vocational nurse (LVN). These teams have focused on a subset of especially high-risk facilities, which they have targeted to provide on-site infection control site assessments and guidance on how to respond in the instance that any residents test positive for COVID-19. Along with site assessments, these teams have also been able to provide emergency outbreak testing for facilities that are experiencing a new outbreak but have not yet identified an outside lab partner for ongoing testing needs. In many such cases, the CRTs have provided the facilities with trainings on how to work with various labs in order to allow administrators to conduct COVID-19 testing independently, without the need for a lab partner to come on-site to administer the tests to residents. Other training and guidance provided on-site to facilities through the CRTs have included training on the proper use of PPE and training on how to maximize containment of an on-site outbreak through the creation of red, yellow and green zones to separate clients with potential COVID-19 exposures from healthy residents. The CRTs are also able to administer flu shots. The work of the CRTs has

been especially valuable in light of the most recent surge, which has caused a drastic increase in the number of facilities experiencing outbreaks.

As the COVID-19 vaccines started to become available, ARFs and RCFEs were prioritized for vaccine distribution given the vulnerability of their population. To ensure vaccines were distributed in these facilities, the Alliance worked together with CCLD to enroll all facilities across the County in the Federal Pharmacy Partnership. Through this program, the Federal government contracted with CVS Pharmacy and Walgreens to provide three on-site vaccination clinics for staff and residents at each facility. DMH and DHS assisted in this effort by working with facilities to coordinate appointments and to resolve any issues that arose around scheduling and access. Based on the most current report, almost 100% of facilities have received at least a first dose vaccination for all those willing to accept it, and a majority of facilities are now fully vaccinated. It is also notable that vaccine acceptance rates within these facilities have been higher than in similar contexts in part due to targeted efforts to educate operators and clients around the benefits of the vaccination and ease any vaccine hesitance.

Updates on Existing Projects

Since the time of July 2020 Board Notification, the Alliance has also resumed work on projects that had been put on hold due to the COVID-19 pandemic such as the Capital Improvements Program. The initial intent of the Capital Improvements Program was to commit \$11.2 million in funding, identified by DMH, to provide financial support to licensed care facilities so that they could address issues of deferred maintenance related to underfunding. At the time of last report, DMH was consulting with County Counsel to determine the best way to streamline the distribution of these funds to ensure that repairs were completed in a timely manner and to the Department's standards. Since that time, through collaboration with philanthropic partners, the scope of this project has dramatically evolved and grown into a broader effort to better understand the overall capital improvement needs of the licensed facility system as a whole. This project will now leverage an additional \$5 million contributed by Cedars-Sinai as well as contributions from other philanthropic partners. The additional funding will be administered by California Community Foundation (CCF) and used to conduct capital needs assessments in facilities applying for funding as well as explore alternative ownership and organizational structures that may allow for the preservation of existing facilities and expansion of the overall system. A Request for Proposal (RFP) was released by CCF on September 25, 2020, for this project, which will identify an implementation partner that will manage the larger project, a Community Development Financial Institution (CDFI) that will explore alternative ownership structures that may provide greater stability for facilities and an evaluation partner that will evaluate and provide data as the project progresses. The \$11.2 million originally identified by DMH will be used to make the

necessary repairs and other capital improvements identified by the capital needs assessments.

As a first step to implementing the anticipated Capital Improvements Program, DMH distributed a survey to facilities working with DMH and DHS ECR programs, from which the Department received 96 responses. This survey provided a better understanding of the proportion of facilities that are rented (45%) versus owned by the administrator (55%), which will help to determine program structure and operating expectations of facilities who receive this resource. The survey also provided a preliminary understanding of the extent of the need for capital improvements and types of improvements that were most needed. Based on this survey, 89% of facilities were in need of capital improvements or repairs, with the most needed repairs being updates to bathrooms, repair or replacement of air conditioning and heating systems, interior painting, and updates for Americans with Disabilities (ADA) Act compliance such as the installation of ramps, grab bars, or handrails. DMH is hopeful that other philanthropic organizations will support this effort and that, by leveraging the support of philanthropic partners, this project will have a greater impact on the licensed care facility system as a whole.

Since the last Board Notification, DMH has also finalized and released the RFP for the development and implementation of a Member Association for ARFs and RCFEs. The RFP, which was released on February 4, 2021, with proposals due on March 15, 2021, will award \$500,000 to a nonprofit partner to seed the association for its first two years. The intent of this association is to provide facilities with an organizing body designed to facilitate collaboration and coordination around their collective needs. The association will also provide support to its members as well as training opportunities and will specifically target for membership those facilities that serve low-income populations. The RFP also includes a requirement that the partner provide a plan for financial sustainability so that the association will continue past the initial two seed years and will be financially independent by year three.

Another initiative that had been temporarily suspended at the time of the last report to the Board was the implementation of on-site substance use disorder (SUD) treatment services in ARFs and RCFEs provided by Public Health Substance Abuse Prevention and Control (SAPC). Initially, this program was piloted at a facility in Pasadena and was making a positive impact, but services were paused at the onset of the COVID-19 pandemic due to visitation restrictions in the facilities. Since then, SAPC has reinitiated the delivery of SUD services at two ARFs, including the initial pilot site, with SUD treatment services offered through telehealth enabling the SUD staff to serve clients in a location that is preferable and convenient and may encourage greater and consistent participation during the COVID-19 pandemic. Further, SAPC is in the process of connecting SUD services at five additional ARFs and anticipates onboarding these sites over the next quarter.

In the last update, the Alliance had just restarted its work on the creation of a bed tracking tool that would provide real-time updates on bed availability in ARFs and RCFEs. This would allow service providers in the community to more easily identify available beds for clients while also being beneficial for facility operators who would be able to post vacancies in order to fill beds more quickly and avoid lost income. Work on this project has since progressed, and the bed tracking tool is currently in its pilot phase. During this phase, DMH and DHS have worked with a small group of facility operators to test the system and provide feedback around user experience. A similar pilot is also being conducted with service providers who frequently assist clients with transitioning into ARFs and RCFEs. To date, the pilot participants have provided mostly positive feedback and have expressed great excitement for the system to go live. The Alliance is hopeful that this system will be fully implemented by the time of the next Board update.

Updates on Legislation

An important aspect of supporting the preservation of licensed care facilities in the County has been the Alliance's tracking and support of legislation that leads to better capacitation and funding of these facilities. In the last Board Notification, the Alliance discussed Assembly Bill (AB) 1766, an LA County supported bill that will increase the State's data collection and communication with counties related to licensed facilities. This bill was signed by Governor Newsom on September 29, 2020, and will require the State to report to County Behavioral Health Departments on a quarterly basis such data as: which facilities serve residents with mental illness, which facilities accept residents for the Non-Medical Out of Home Care Rate (also known as the SSI rate), and which facilities have closed. Furthermore, this bill requires that the State report any facility closure to the County within three business days. The first report of this data is expected in May 2021 and will allow the County to better understand which facilities are able to serve the client populations that the Alliance serves, as well as ensure robust and complete information about facility closures as they occur.

Recently, the Governor also released the State budget, which included \$250 million in one-time funding to acquire and rehabilitate ARFs and RCFEs. This funding is intended to preserve and expand housing options available to low-income seniors who are homeless or at risk of homelessness. Another eligible use of this funding is to target those facilities that serve individuals experiencing mental illness who are homeless or at risk of homelessness. While this funding is strictly for infrastructure and capital and does not include funding for operations, its inclusion in the budget acknowledges the importance of these facilities for their unique role in addressing homelessness for particularly vulnerable populations.

The Alliance also continues to track legislation that has the potential to provide additional funding for these facilities by recommending that bill language includes licensed care

facilities as an eligible type of housing for the use of such funding. Most recently, the Alliance collaborated with the California Behavioral Health Directors Association (CBHDA) and the Steinberg Institute around AB 71, Bring California Home, which, if passed, will increase State funding to address homelessness. The intent of this collaboration is to emphasize the importance of licensed care as one of many possible interventions to homelessness and to ensure that licensed care housing will be included as an eligible use of this funding.

While the above progress is promising in that it will increase funding to ARFs and RCFEs, it does not solve the larger underlying problem that stems from the extremely low Non-Medical Out of Home Care Rate set by the State. For this reason, the Alliance continues to seek opportunities to increase the rate to be more aligned with the actual operational costs of these facilities in order to ensure that these facilities are equipped to provide quality care to their residents and do not continue to close due to underfunding. For example, we are in dialogue with Federal partners, including Senator Alex Padilla, with support from Chief Executive Office (CEO) Legislative Affairs to address these concerns. Several fixes are being discussed including increasing Non-Medical Out of Home Care Rate and allowing for Section 8 to be used as a way to subsidize licensed care facilities. We will continue to engage in these discussions.

Facility Closures

Despite the Alliance's best efforts to support licensed care facilities throughout the County, there have been a number of ARF and RCFE closures that have occurred since the last Board Notification in July 2020. These closures include some facilities that were planning to close at the time of last report. In total, since the last report, eight ARFs have closed, reflecting a loss of 112 ARF beds. There were also 18 RCFE closures, reflecting a loss of 299 RCFE beds. However, only two of these RCFEs, with a total of 244 beds, were confirmed to serve the ERC population. Based on the data provided by the State, the Alliance is unable to discern whether the other closures served low-income clients with mental illness or were private-pay facilities. Furthermore, the most recent data provided by the State around ARF closures does not discern, as it had in previous reports, between those facilities that serve clients with mental illness and those that exclusively serve residents with developmental disabilities, which are funded through the Regional Center at a much higher per client rate. Without knowing these details, it is difficult to fully understand how many of these closures impact the clients served by the Alliance. It is important to note here that the closures reported in this notification include those that the Alliance had become aware of through various sources, even prior to receiving the full data report from CCLD, including notification from case managers and through bimonthly meetings with CCLD. Since the Alliance receives reports of closures from various sources, this lack of data does not impede our efforts to address and mitigate closures. However, with the passage of AB 1766, there should be fewer barriers to

receiving complete, nuanced and timely information about facility closures starting in May 2021.

The majority of the ARF closures occurred in small-to-medium-size facilities including: five facilities that were licensed for six beds each, two that were licensed for between 10-15 beds, and one that was licensed for 58 beds. Of these closures, DMH and DHS only had clients residing at three facilities including: Alma Lodge with 58 beds, Golden State Lodge with 14 beds, and Stevens Adult Home with six beds. The closure of the first two were planned closures reported in the prior Board Notification, and the latter was an unexpected closure due to the administrator passing away. The remaining closures were of a six-bed facility and a ten-bed facility where DMH and DHS were informed by CCLD of their closure only after closure processes had begun or were completed. For more specific details about these closures including facility names, size and addresses, see Attachment I.

Additionally, there were two RCFEs that served ERC clients that closed during this reporting period, Charlie's Residential Care, which was licensed for 44 beds, and California Green Tree Villa, which was licensed for 200 beds. Though DMH and DHS do not have the same longitudinal data around RCFE closures as they do with ARF closures due to limitations on data provided by CCLD, the Departments are beginning to track these closures more closely, especially in cases where these closures impact DMH and DHS clients. While DMH had no ERC clients at either of these facilities, DHS ERC had clients at both. California Green Tree Villa closed due to the property owner terminating the lease and no longer wanting to use the property as a licensed facility. Similarly, Charlie's Residential Care closed due to the property being sold, and the new owner's desire to tear down the building and construct apartments. Both of these closures demonstrate an ongoing concern about the ways Los Angeles property values and issues with site control continue to fuel closures.

Furthermore, Attachment II provides a breakdown of all the ARFs that have closed since the Alliance first began tracking closures in 2016, both by quarter and by size. As indicated, since 2016, around 26% of facilities that serve residents who have a mental illness and receive SSI income have closed, highlighting the importance of preserving the remaining facilities to ensure placements are available for individuals in the County that need this level of care to remain stably housed.

At the same time, DMH and DHS remain dedicated to ensuring that residents of closing ARFs and RCFEs are supported in their relocations regardless of enrollment in ERC programs. Through their collaboration with CCLD, the Departments have been able to obtain client rosters for closing facilities and cross-check the lists to ensure that client case managers are informed and provide supportive services including relocation support for each client. In some cases where residents from impacted facilities exhibit behavioral

health concerns and are not linked to DMH, DMH has engaged in outreach efforts to ensure the residents are linked to mental health services. Furthermore, the DMH Patients' Rights Office is often called in to collaborate with CCLD at the time of facility closure to ensure that no rights violations are occurring through the closure process. Through the Alliance's work, along with collaboration with CCLD, the utmost effort is made to ensure all clients residing in closing facilities are stably transitioned to another home by the time of the facility closure.

Though DMH and DHS have not had direct experience with each of these most recent closures, it is clear that the number of closures has greatly increased since the start of the COVID-19 health crisis. While each of these closures happened due to unique circumstances, anecdotal evidence suggests that many operators are experiencing increased operational stress and higher expenses related to responding to the COVID-19 pandemic. These closures also highlight the continued need to find new ways to support these facilities both technically and financially and ensure they have the capacity to survive the pandemic and continue to provide quality care to their residents.

Next Steps

The Alliance will continue its focus on providing COVID-19 related supports to ARFs and RCFEs as the pandemic continues while also working to advance other efforts supporting licensed care facilities including full implementation of the bed tracking system, awarding a contract for a member association and collaborating with Cedars-Sinai and CCF to conduct the capital improvement needs assessments. The next report update will be submitted August 6, 2021.

If you have additional questions, please contact Maria Funk, Deputy Director, at (213) 251-6582 or mfunk@dmh.lacounty.gov.

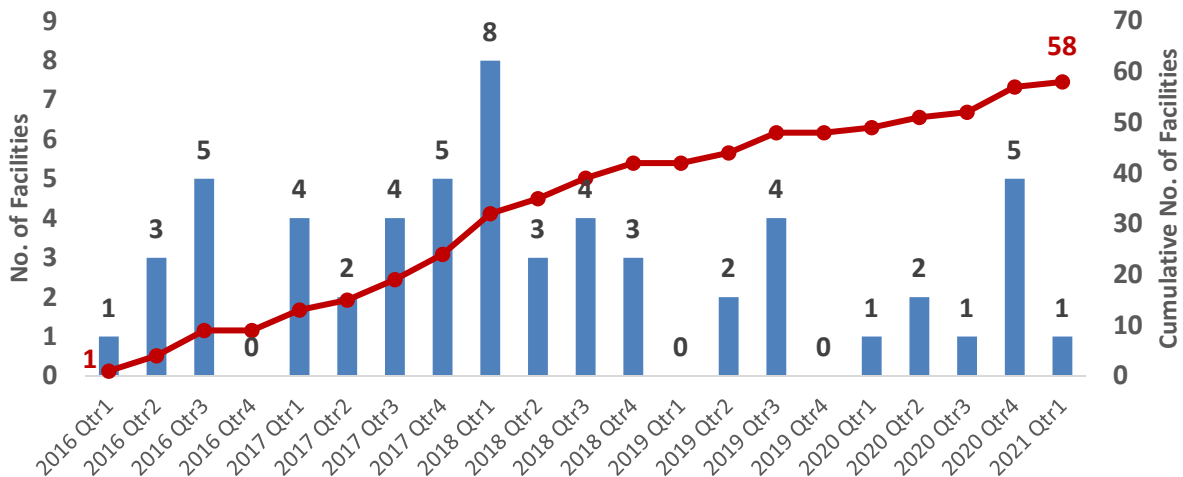
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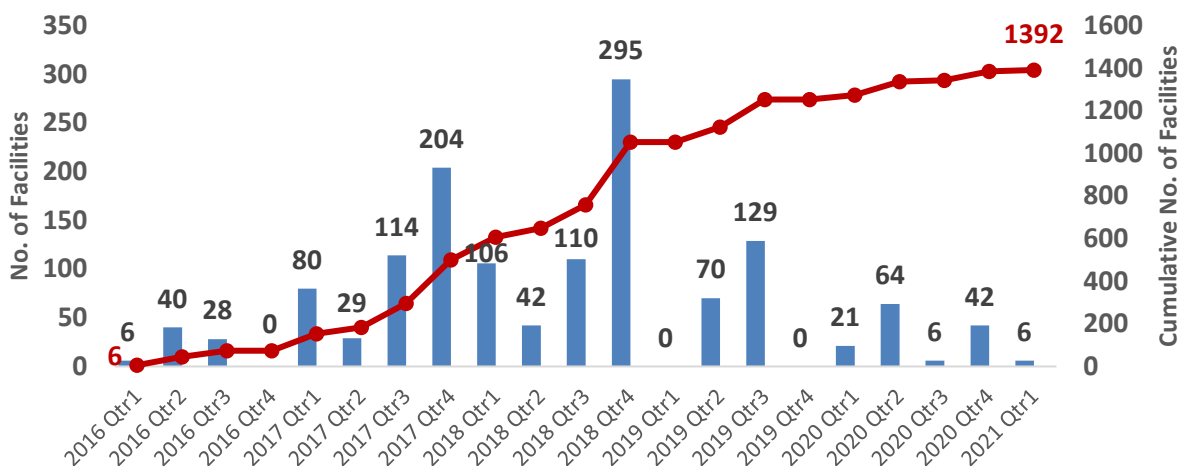
c: Executive Office, Board of Supervisors
Chief Executive Office
Alliance for Health Integration

Closures of ARFs and RCFEs Serving Residents with Mental Illness – June 2020 to Present						
Facility Type	Facility Name	Number of Beds	Address	City	Zip Code	Closure Date
ARF	ALMA LODGE	58	1750 COLORADO BLVD	LOS ANGELES	90041	6/30/2020
ARF	BJAE'S HOME INC	6	5135 NORTH LYMAN AVE	COVINA	91724	7/30/2020
ARF	STEVENS ADULT HOME	6	1857 E ABBOTTSON ST	CARSON	90746	10/1/2020
ARF	GOLDEN STATE LODGE	14	11465 GLADSTONE AVE	SYLMAR	90342	10/8/2020
ARF	MORGAN'S HEAVENLY HOME	10	2421 8TH AVE	LOS ANGELES	90018	10/30/2020
ARF	AUSTIN HOUSE II	6	21206 DOLORES ST	CARSON	90745	11/13/2020
ARF	MAUNA LOA ADULT RESIDENTIAL CARE FACILITY	6	610 W MAUNA LOA AVE	GLENDORA	91740	12/1/2020
ARF	ARMSTEAD GUEST HOME	6	1025 E. CITRUS EDGE ST	AZUSA	91702	2/4/2021
RCFE	CALIFORNIA GREEN TREE VILLA	200	6728 SEPULVEDA BLVD	VAN NUYS	91411	9/24/2020
RCFE	CHARLIE'S RESIDENTIAL CARE	44	12001 SANTA MONICA BLVD	LOS ANGELES	90025	12/4/2020

**Figure 1. Number of Closures of Adult Residential Facilities
Serving Residents with Mental Illness by Quarter -
2016 to Present**



**Figure 2. Number of Beds Lost in Adult Residential Facilities
Serving Residents with Mental Illness by Quarter -
2016 to Present**



**Table 1. Number of Closures of Adult Residential Facilities Serving
Residents with Mental Illness by Facility Size - 2016 to Present**

Facility Size	Number of Facilities in Operation - Jan. 2016	Number of Facility Closures - Jan. 2016 - Feb. 2021	Remaining Facilities in Operation - Feb. 2021	% of Facilities Closed
<= 6 Beds	96	27	69	28%
7-19 Beds	39	13	26	33%
20-49 Beds	46	9	37	20%
>= 50 Beds	43	9	34	21%
Total	224	58	166	26%



DEPARTMENT OF MENTAL HEALTH

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August 26, 2021

TO: Supervisor Hilda L. Solis, Chair
Supervisor Holly J. Mitchell
Supervisor Sheila Kuehl
Supervisor Janice Hahn
Supervisor Kathryn Barger

FROM: Jonathan E. Sherin, M.D., Ph.D.
Director

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

Background

As directed by the Board of Supervisors in a motion passed November 12, 2019, the Los Angeles County Alliance for Health Integration (AHI) remains committed to supporting Adult Residential Facilities (ARFs) and Residential Care Facilities for the Elderly (RCFEs) in order to preserve these vital community resources that house some of the County's most vulnerable residents. This notification serves as a 180-day update following our last report to the Board that was provided on March 10, 2021.

Our last report highlighted the extensive work done by AHI to address and mitigate the threat of COVID-19 in licensed residential facilities. Since these facilities provide congregate living environments and are already experiencing underfunding, it was critical to ensure they were provided resources and guidance around how to effectively manage COVID-19 for the safety of staff and residents. This report will provide the Board with updates on the continued work with these facilities around COVID-19 and provide some preliminary outcome data around the work of the COVID-19 Response Teams (CRT) described in the previous Board update.

This report will also provide updates on other Board directives around licensed residential facilities that had been put on hold due to COVID-19 and were in the preliminary phases of being revived at the time of the last report including:

1. Creating and implementing a new bed tracking tool, which has officially launched and is now being utilized by facilities and service providers.
2. Awarding \$500,000 through a Request for Proposal (RFP) to a nonprofit agency to seed a membership association for ARFs and RCFEs. Since the time of the last report, the contract was awarded to the National Alliance on Mental Illness Greater Los Angeles County (NAMI GLAC).
3. Planning the implementation of a Capital Improvements Project around which AHI has continued to work collaboratively with philanthropic partners. The project may also be impacted and augmented by upcoming funding in the Governor's budget.
4. Increasing on-site substance use disorder (SUD) services in licensed residential facilities and other efforts to ensure such services are made available and accessible to residents.
5. Increasing funding for ARFs and RCFEs by expanding capacity in the Department of Mental Health (DMH) Enriched Residential Care (ERC) Program, which pays licensed residential facilities an enhanced rate for clients with complex needs.
6. Supporting legislation that would provide ARFs and RCFEs with increased funding and other assistance, as well as tracking updates on the implementation of passed legislation aimed at supporting licensed residential facilities.

This report will also provide an update on licensed residential facility closures that have taken place across the County since the last Board Notification and continued efforts by AHI to implement strategies to mitigate closures.

COVID-19 Response in ARFs and RCFEs

As discussed in detail in the last report to the Board, AHI has been at the forefront of collaborative efforts to support ARFs and RCFEs to lessen the impact of the COVID-19 pandemic. Given that the last few months had seen an increase in vaccination rates and a decrease in COVID-19 numbers, AHI had recently begun ramping down the intensity of its COVID-19 response efforts. However, as COVID-19 infection rates begin to rise again, AHI continues to closely monitor the situation and has begun to refocus its efforts on COVID-19 mitigation.

To begin, as vaccines were rolled out throughout the County, long-term care facility residents and staff were among the first prioritized to receive COVID-19 vaccinations. As mentioned in the March 2021 Board Notification, these facilities were enrolled in the Federal Pharmacy Partnership, which deployed staff from CVS Pharmacy and Walgreens to provide on-site vaccinations to licensed residential facilities across the County. For facilities that did not take part in this program, AHI worked with them to ensure that staff and residents had the opportunity to receive COVID-19 vaccinations through the CRTs. These intensive efforts led to a vaccination rate of 80% among licensed residential facility

staff and 85% among licensed residential facility residents based on a survey conducted by the Department of Public Health (DPH) in May 2021. While the data available indicates that vaccination rates are high among staff and residents in these facilities, it is important to note that these rates were determined using survey data where only 21% of facilities responded and, therefore, the low response rate may impact confidence in the overall vaccination data. Despite this concern, as a result of the high vaccination rates, the number of COVID-19 cases reported by these facilities dropped dramatically. While rates of COVID-19 in licensed residential facilities had been extremely low for several months, AHI continues to monitor for a resurgence in positive cases as the Delta variant of COVID-19 spreads across the County and has begun to make appropriate adjustments as needed. AHI remains in close collaboration with the Community Care Licensing Division (CCLD) who continues to record all positive cases of COVID-19 within licensed residential facilities.

As COVID-19 case rates have dropped, AHI has begun to wind down the intensive response structure that was needed early in the pandemic. The CRTs, whose work were also detailed in the previous March Board Notification, provided on-site infection control assessments, outbreak response, and other guidance from November 2020 to April 2021. During this period, the CRTs were able to provide infection control assessments to a total of 158 licensed residential facilities, with 113 of these facilities receiving two or more site visits. In total, the CRTs completed 279 site visits during which they were able to increase the percentage of facilities conducting surveillance testing from 47% to 91%. They were also able to increase facilities' capacity by providing trainings on how to effectively cohort residents and the proper use of personal protective equipment (PPE), including providing fit testing for N95 respirators. Overall, based on the assessment tools used by the CRTs, they were able to increase infection control independence from 16% of facilities to 91%.

Since there had been virtually no outbreaks in the licensed residential facilities working with DMH and the Department of Health Services (DHS) over the past several months, the decision was made at the end of June 2021, to also sunset the weekly COVID-19 assessment survey that was described in the previous Board Notification in order to lessen the burden on facility administrators. Since then, AHI has remained vigilant around how the Delta variant has been impacting licensed residential facilities and even decreased thresholds for outbreaks to ensure that any cases in these facilities are caught and addressed efficiently. As a result, the survey monitoring system was reactivated in August 2021, seeing that there was renewed need.

AHI has also continued the bi-weekly webinars for licensed residential facilities that were initially intended to provide updates on COVID-19 guidance and strategies for infection prevention; however, the content of these webinars has now been expanded to address other educational needs of facility administrators, including topics around mental health,

mandated reporting and medication monitoring. Furthermore, as part of another strategy to reduce financial strain on the facilities, AHI has partnered with Community Training Connection so that these webinars are now designed to provide facility staff with no-cost continuing education units (CEUs), which are required by the State in order to maintain licensure. Also, the training content for these bi-weekly webinars is flexible and can easily pivot back to COVID-19 updates and guidance as needed.

Updates on Existing Projects

Though many of the projects related to the Board's directives from the original November 11, 2019 Board Motion were put on hold or delayed over the past year, AHI has remained committed to these projects and has made significant progress on moving them forward since the last Board Notification.

One of the original projects was for AHI to create a real-time bed tracking system that would allow licensed residential facilities to publicly post bed vacancies. At the time of the last report, AHI was piloting such a system that leveraged an existing DMH bed tracking tool called Mental Health Resource Location Navigator (MHRLN). This system provides a platform for facility administrators to directly update vacancies in real time, as well as for service providers to find vacant beds where they can place their clients. The creation of this system addresses two critical issues: the difficulty that case managers have finding appropriate vacant licensed residential facility beds for their clients and the loss of income experienced by facilities as a result of unfilled beds. MHRLN was officially launched for use by licensed residential facilities on June 10, 2021, at which time the DMH and DHS ERC teams held a training launch event that demonstrated and introduced the system to a range of service providers and facility administrators. Information about the 186 facilities participating in DMH and DHS ERC programs was entered into MHRLN by DMH and, at this time, about half of these facilities have begun updating their bed vacancies. DMH and DHS are continuing to outreach to those facilities that are not yet using the system to provide further technical assistance and encouragement to take advantage of this resource. At this time, 246 service providers from DMH directly-operated programs, DMH contracted programs and DHS programs are registered with MHRLN and have access to the system to locate bed vacancies.

As part of the strategies to build and preserve capacity, DMH previously identified \$500,000 of MHSa funding to seed the first two years of a membership association for ARF and RCFC owners and administrators. At the time of the last report, an RFP had been released in an effort to select a nonprofit partner to implement the association. On July 27, 2021, the Board approved DMH's contract with NAMI GLAC to implement the membership association. At this time, AHI has begun meeting with NAMI GLAC to begin the implementation process for the new association, focusing on strategies around

recruitment of membership. One of the stipulations of the contract with NAMI GLAC is that, in the initial year, membership will be free of cost to facilities choosing to participate. This will give the association a period of time to demonstrate the value of membership in hopes of retaining members and establishing a sustainable funding structure to carry the project forward past the initial two years of funding from DMH.

AHI continues to work with Cedars-Sinai and the California Community Foundation (CCF) on a Capital Improvements Project that will leverage the \$11.2 million in Mental Health Services Act (MHSA) funding that was set aside by DMH for this purpose. With the additional resources of \$5 million contributed by Cedars-Sinai and administered by CCF, the project's scope has been expanded to include a physical needs assessment of eligible licensed residential facilities in Los Angeles County, which will help identify the scope of the capital improvements needed and will inform decisions on the allocation of the \$11.2 million in DMH funds for capital improvements. At this time, CCF has hired Genesis LA as the project manager, and they are collaborating with Brilliant Corners who has experience implementing alternative ownership structures in the San Francisco Bay Area for licensed residential facilities that serve clients with developmental disabilities. AHI is hopeful that, by leveraging Brilliant Corners' previous experience, a more sustainable operational structure can be explored for facilities in Los Angeles County. Most promising is the State budget, which includes \$805 million under the Community Care Expansion Program that could also be used for deferred maintenance which can be used to build onto the structure being developed and implemented by the partnership between AHI, Cedars-Sinai and the CCF.

In our March 10, 2021 report, AHI discussed renewed efforts to pilot on-site DPH Substance Abuse Prevention and Control (SAPC) services in select licensed residential facilities. This pilot program is aimed to ensure effective treatment, efficient services and reduction of barriers for those who are most medically and psychiatrically vulnerable. The pilot, known as the ERC-SAPC Service Integration Project, includes four DHS master-leased facilities and six other facilities that serve DMH and DHS ERC clients. All proposed site locations have submitted the required SAPC Field-Based Services (FBS) workplan. At this time, two of sites have the service model fully implemented and the remaining eight are in the approval or implementation process.

Lastly, because of the expanded need for licensed residential care especially among people with Serious Mental Illness (SMI), in February 2021, the DMH ERC program allocated an additional \$6 million in Substance Abuse and Mental Health Services Administration (SAMHSA) funding to expand the program's capacity to serve more clients. For Fiscal Year 2021-22, DMH has been informed of the approval from the State Department of Health Care Services (DHCS) for an additional \$2.7 million in SAMHSA grant funding that will be used to replace DMH's Whole Person Care funding that is

sunsetting in December 2021 and is currently being used to support clients in licensed residential facilities. This will bring the total SAMHSA grant funding for the DMH ERC program to \$8.7 million.

Legislative Updates

In its effort to support the preservation of licensed residential facilities, AHI has found it imperative to closely track and support legislation that impacts the funding and operations of these sites. Since our last Board Notification, AHI has received its first data report from the State as required by the County co-sponsored Assembly Bill (AB) 1766 legislation that became effective in January 2021. The data that AHI received was based on a survey administered by CCLD to better understand which facilities accept individuals with Supplemental Security Income (SSI), as well as which accept individuals with SMI. However, based on a review of the survey results, it was noted that there were several limitations to the data such as a low response rate, misunderstanding by the facility administrators about the questions asked and the accidental exclusion of some facilities from receiving the survey. Therefore, the results of the survey are not included in this report, and DMH is working with CCLD to address these concerns on the next survey. Lastly, AB 1766 requires the State to notify County Behavioral Health Directors when there is a facility closure in the County and to provide the County with a quarterly report that details any closures that have occurred. While this is being implemented, CCLD has been helpful in providing closure information at the request of AHI and has informed AHI of current work to create a dashboard that would track closures across the state.

Another piece of legislation that went into effect January 2021 was AB 2377. This bill requires that licensed residential facilities that plan to close notify the County at least 180 days prior to closure, as well as provide notice of whether they intend to sell the property. In the case that the owner plans to sell, this bill allows the County right of first refusal to buy the property with the intention of continuing its operation as a licensed residential facility. In theory, this legislation would allow the County more direct authority to mitigate closures by purchasing facilities that operators no longer intend to operate as a licensed residential facility. While this legislation is promising, the County has not yet received closure notifications for the facilities that have closed since January 2021 despite CCLD sending Provider Information Notices with information about the bill to facility operators. Also, CCLD has indicated that there are challenges with enforcing the legislation as they have little leverage when a facility is terminating its license and local law enforcement would have to issue the misdemeanor allowed by the legislation when the 180-day notice to the County is not followed. We continue to monitor this and discuss strategies for successful implementation.

Another promising bill was Senate Bill (SB) 648, which was authored by Senator Melissa Hurtado. This bill proposed a pilot program that would provide a stipend to licensed residential facilities of \$1,000 per month for each resident receiving only the SSI rate payment. The Board also supported this legislation with a five-signature letter on June 8, 2021. While this bill showed some promise in the direction of increasing the overall payment rate for these facilities, it did not pass in this legislative cycle and instead was converted to a two-year bill. The future viability of this bill is not clear at this point.

AHI has also been closely tracking the release of the Governor's budget for funding that would support licensed residential facilities. The budget includes \$805 million for the Community Care Expansion Program which supports licensed residential facilities that serve people who are homeless or at risk of becoming homeless. These funds are contingent on Trailer Bill Language providing further program details; however, as written, it appears that this funding would be used to provide competitive grants to qualified counties and tribal entities for the acquisition and rehabilitation of adult and senior residential care facilities. Furthermore, of this funding, \$55 million can be used for a capitalized operating subsidy reserve which AHI is hopeful will help stabilize operating revenues for these facilities.

Regarding federal funding, there are proposed increases to Home and Community-Based Services Waivers that could also provide funding for individuals living in licensed residential facilities in the community. AHI is awaiting details about the waivers and their implementation.

Closures

As mentioned, CCLD has provided information to the County regarding closures of licensed residential facilities that impact County-funded clients both through official notifications and regular meetings and exchange of information between CCLD, DMH and DHS. Whenever there is a closure, DMH and DHS work with CCLD to ensure the smoothest transition of clients to another facility.

Accurately tracking closures remains challenging despite the new reporting requirements by CCLD. The attached charts reflect closure information that has been provided to the County by CCLD including information from the previous reporting period as well as data from DMH's own internal tracking of closures. Since January 2021, there have been 18 ARFs that have closed, reflecting a total of 111 beds lost. Of these closures, only one facility served DMH ERC clients and none of the facilities served DHS ERC clients. Furthermore, there have been 43 closures of RCFEs, reflecting a total of 272 beds lost. None of the closed RCFEs served DMH ERC clients and only one served DHS ERC clients. Attachment I provides a complete list of the facilities that have closed from

January 2021 through June 2021. It is notable that all of the ARFs and RCFEs reported as closed were small facilities with 15 or fewer beds. Attachment II provides a breakdown of all of the facilities that have closed since AHI began tracking closures in 2016. It is also important to note that, when AHI receives data from CCLD, there is no way to determine whether the closed facilities served residents with SMI or residents that paid the SSI rate unless they accepted DMH and/or DHS ERC-funded clients. Given this, it seems that many of the closed facilities, especially in the category of RCFEs which provide elder care, may have been private pay since there was only a very small overlap with AHI's vetted list of SSI rate facilities. There are four additional facilities that underwent management changes and while the facilities were retained as licensed residential care facilities, they have since stopped accepting clients with DHS-ERC subsidies.

AHI anticipates that, as AB 1766 is fully implemented, it will become easier to closely monitor closures as they occur, even for licensed residential facilities that do not serve the DMH and DHS target populations. Also, since AB 1766 requires CCLD to collect data around which facilities serve clients with SMI and which serve clients who pay the SSI rate, it may be possible in the future to provide clearer data around which closed facilities actually served low-income residents with SMI. The figures included in Attachment I provide some insight into closures over time as well as a full list of the closures that have occurred during this reporting period.

Next Steps

AHI will continue to implement the strategies outlined in this report and will continue to monitor the impact of COVID-19 on ARFs and RCFEs and provide related supports as required. The next report update will be submitted March 3, 2022.

If you have additional questions, please contact Maria Funk, Deputy Director, at (213) 943-8465 or mfunk@dmh.lacounty.gov.

JES:MF:ymm

Attachments

c: Executive Office, Board of Supervisors
Chief Executive Office
Alliance for Health Integration

Adult Residential Facility (ARF) Closures January 2021 to June 2021							
Type	Name	Capacity	Address	City	Zip Code	SD	Closure Date
ARF	LNB MANOR	6	1793 CAMPUS ROAD	LOS ANGELES	90041	1	1/9/2021
ARF	CATO'S QUALITY CARE FACILITY	6	1024 EAST HELMICK STREET	CARSON	90746	2	2/8/2021
ARF	MAUNA LOA ADULT RESIDENTIAL CARE FACILITY	6	610 W MAUNA LOA AVE	GLEN DORA	91740	5	2/23/2021
ARF	G&L HOME	6	11159 COHASSET STREET	SUN VALLEY	91352	3	3/1/2021
ARF	GEHM HOME III	4	3137 EAST MERRYGROVE STREET	WEST COVINA	91792	1	3/22/2021
ARF	TRI JAM HOME	4	14906 WOLFSKILL STREET	MISSION HILLS	91345	3	3/31/2021
ARF	AMERICAN GUEST HOMES #3	15	2071 WASHINGTON BLVD	LOS ANGELES	90018	2	4/1/2021
ARF	WILSON CARE FACILITY	6	10780 SAN LUIS AVE.	LYNWOOD	90262	2	4/13/2021
ARF	FLYNN HOMES	4	13631 FLYNN ST	LA PUENTE	91746	1	4/15/2021
ARF	PEREZ HOME	6	831 N. BANNA AVE	COVINA	91724	5	4/30/2021
ARF	VALLEY SWEET HOMES	4	16350 VINTAGE ST	NORTH HILLS	91343	3	4/30/2021
ARF	HOPE ADULT HOME	6	12136 GERTRUDE DRIVE	LYNWOOD	90262	2	5/6/2021
ARF	HOPE FAMILY ADULT HOME #1	6	12108 GERTRUDE DRIVE	LYNWOOD	90262	2	5/6/2021
ARF	LOVE & HOPE HOME	8	12023 GERTRUDE DRIVE	LYNWOOD	90262	2	5/6/2021
ARF	ARMSTEAD RESIDENTIAL FACILITY	6	1025 E. CITRUS EDGE STREET	AZUSA	91702	1	5/11/2021
ARF	CHARITY CREST	6	110 S. SLOAN	COMPTON	90221	2	6/15/2021
ARF	EDGEMONT GUEST HOME	6	803 N. EDGEMONT AVENUE	LOS ANGELES	90029	3	6/17/2021
ARF	LORI'S ADULT RESIDENTIAL	6	20024 NORTHWOOD AVENUE	CARSON	90746	2	6/25/2021
ARF	BEVERLYWOOD CENTER	85	1920 S. ROBERTSON BLVD.	LOS ANGELES	90034	2	8/10/2021

Residential Care Facility for the Elderly (RCFE) Closures January 2021 to June 2021							
Type	Name	Capacity	Address	City	Zip	SD	Closure Date
RCFE	NORTHRIDGE GOLDEN NEST 2	6	19240 PRAIRIE ST.	NORTHRIDGE	91324	3	1/17/2021
RCFE	RTJ HOME SWEET HOME	6	6023 W. AVENUE L-12	LANCASTER	93536	5	1/17/2021
RCFE	RUMI SUNRISE	6	4345 ALLOTT AVENUE	SHERMAN OAKS	91423	3	1/19/2021
RCFE	LAWNDALE HOME	6	4147 W. 162ND	LAWNDALE	90260	2	1/20/2021
RCFE	ERL HOMES FOR THE ELDERLY	6	43437 17TH STREET WEST	LANCASTER	93534	5	1/26/2021
RCFE	A TOUCH OF PARADISE	6	38917 KENSINGTON WAY	PALMDALE	93551	5	2/4/2021
RCFE	JMJ ELDER CARE	6	1346 BALLISTA AVE	LA PUENTE	91744	1	2/4/2021
RCFE	ALOHA CARE HOME RCFE	6	25694 DORADO DR	VALENCIA	91355	5	2/19/2021
RCFE	BETHESDA CARE	6	717 S MIDSITE AVENUE	COVINA	91723	5	2/22/2021
RCFE	FLAIR MANOR	6	5811 CAPISTRANO AVENUE	WOODLAND HILLS	91367	3	3/2/2021
RCFE	VALLEY VILLA RCF	6	8225 AGNES AVENUE	NORTH HOLLYWOOD	91605	3	3/2/2021
RCFE	MOONLIGHT ELDERLY CARE	6	13021 KESWICK STREET	NORTH HOLLYWOOD	91605	3	3/4/2021
RCFE	CARE IN MOTION	6	45516 GADSDEN AVE	LANCASTER	93534	5	3/8/2021
RCFE	SONG OF PHOENIX GUEST HOME	6	22302 HALDALE AVENUE	TORRANCE	90501	4	3/11/2021
RCFE	ANGELO'S HOME CORPORATION	6	2746 WEST LUMBER ST.	LANCASTER	93536	5	3/16/2021
RCFE	NESTLE PLACE SENIOR CARE FACILITY	6	6840 NESTLE AVE	RESEDA	91335	3	3/21/2021
RCFE	SUNSHINE SENIOR LIVING FACILITY	4	8455 SPRINGFORD DR	SUN VALLEY	91352	5	3/24/2021
RCFE	AAA QUALITY RESIDENTIAL CARE FACILITY	6	7843 STANSBURY AVE	PANORAMA CITY	91402	3	3/25/2021
RCFE	BAYSIDE GUEST HOME, THE	10	138 W. 223RD ST.	CARSON	90745	2	3/29/2021
RCFE	WEST HILLS HOME CARE II	6	22454 SCHOOLCRAFT STREET	WEST HILLS	91307	3	4/1/2021
RCFE	WEST HILLS HOME CARE, INC.	6	22523 SCHOOLCRAFT ST.	WEST HILLS	91307	3	4/1/2021
RCFE	SERENITY HOME RCFE	6	8673 CANTERBURY AVENUE	PANORAMA CITY	91402	3	4/7/2021
RCFE	PACIFIC SUNRISE HOME II	6	28122 LOMO DRIVE	RANCHO PALOS VERDES	90275	4	4/9/2021
RCFE	A TOUCH OF PARADISE AT KENSINGTON	6	38954 KENSINGTON WAY	PALMDALE	93551	5	4/12/2021

Residential Care Facility for the Elderly (RCFE) Closures January 2021 to June 2021							
Type	Name	Capacity	Address	City	Zip	SD	Closure Date
RCFE	CITY VIEW MANOR	6	22 CAYUSE LANE	RANCHO PALOS VERDES	90275	4	4/13/2021
RCFE	AALICE SENIOR LIVING WONDERLAND	6	8556 NEWCASTLE AVE	NORTHRIDGE	91325	3	4/14/2021
RCFE	LOVE AND COMPASSION BOARD AND CARE CORPORATION	6	15909 TUPPER ST	NORTH HILLS	91343	3	4/15/2021
RCFE	MAYA'S ELDERLY CARE	6	16631 OSBORNE ST	NORTH HILLS	91343	3	4/15/2021
RCFE	CHATEAU LE PETITE II	6	12630 MIRANDA STREET	VALLEY VILLAGE	91607	3	4/29/2021
RCFE	COZY ELDERLY CARE INC	6	10108 COZYCROFT AVE	CHATSWORTH	91311	5	5/5/2021
RCFE	FLOWERS RESIDENTIAL CARE FACILITY II	6	1748 NORTH LINCOLN AVENUE	PASADENA	91103	5	5/5/2021
RCFE	COMFORT ELDERLY CARE, INC.	6	6701 CANTALOUPE AVE	VAN NUYS	91405	3	5/6/2021
RCFE	HELPING HANDS ASSISTED LIVING	6	5523 SHOUP AVE UNIT B	WOODLAND HILLS	91367	3	5/6/2021
RCFE	GOLDEN YEARS II	6	4150 RHODES	STUDIO CITY	91604	3	5/7/2021
RCFE	PARTHENIA MANOR	6	14400 PARTHENIA STREET	PANORAMA CITY	91402	3	5/17/2021
RCFE	COLONIAL HOUSE	14	10830 OXNARD STREET	NORTH HOLLYWOOD	91606	3	5/26/2021
RCFE	BLADES ROPER BOARD & CARE	6	3848 LA SALLE AVENUE	LOS ANGELES	90062	2	5/28/2021
RCFE	R & G RETIREMENT HOMES	6	18708 SCHOENBORN ST	NORTHRIDGE	91324	3	5/28/2021
RCFE	A BETTER LOVE BOARD AND CARE	6	6108 SADRING AVE	WOODLAND HILLS	91367	3	6/3/2021
RCFE	WILLOWS, THE	6	18171 ROSITA STREET	TARZANA	91356	3	6/3/2021
RCFE	DELUXE GUEST HOME	12	3260 PINE AVE.	LONG BEACH	90806	4	6/10/2021
RCFE	DELUXE GUEST HOME II	6	3266 PINE AVENUE	LONG BEACH	90806	4	6/10/2021
RCFE	HELPING HANDS COMFORT CARE, INC.	4	6821 YARMOUTH AVE	RESEDA	91335	3	6/23/2021

Figure 1. Number of Closures of Adult Residential Facilities Serving Residents with Mental Illness by Quarter - 2016 to Present

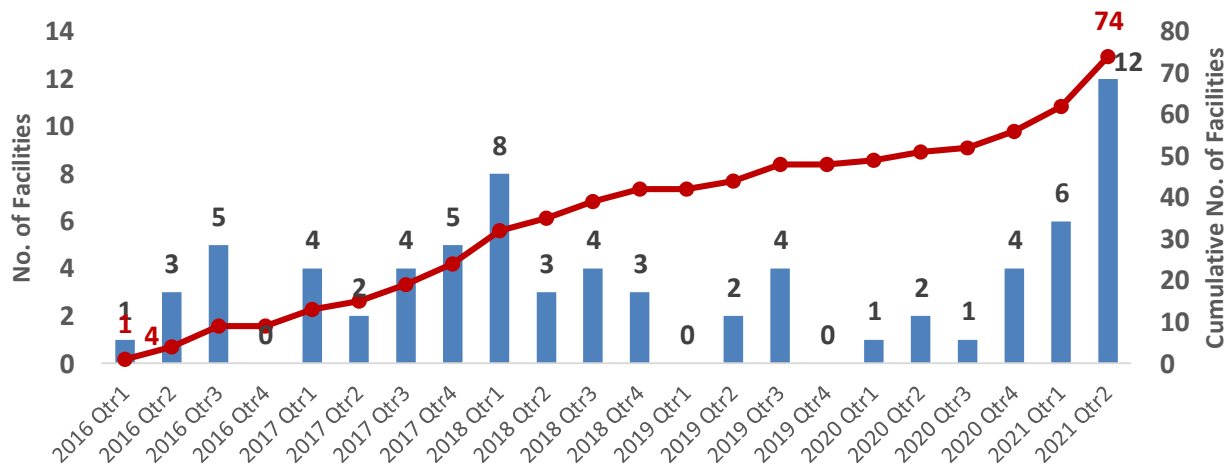
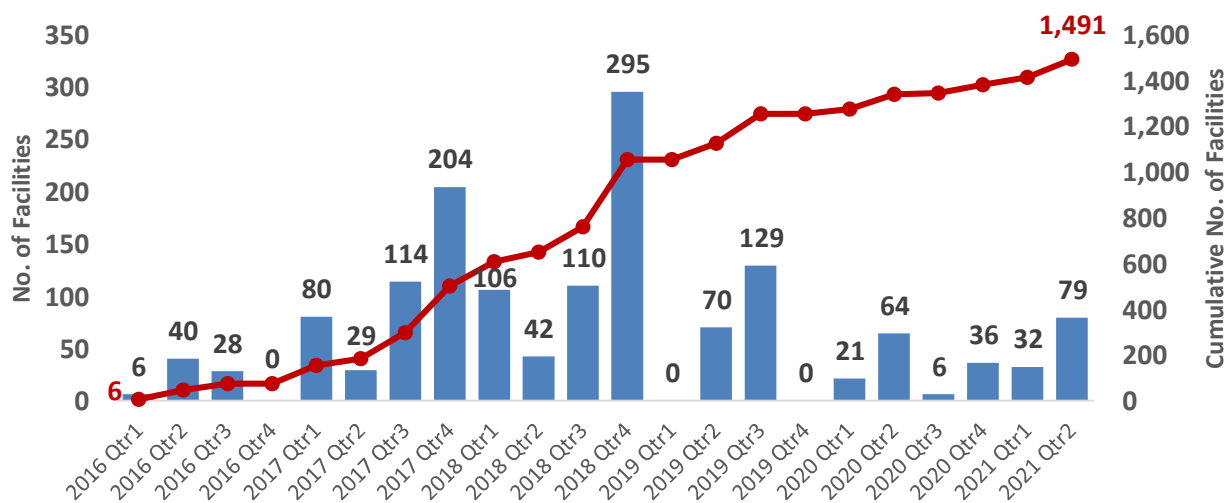
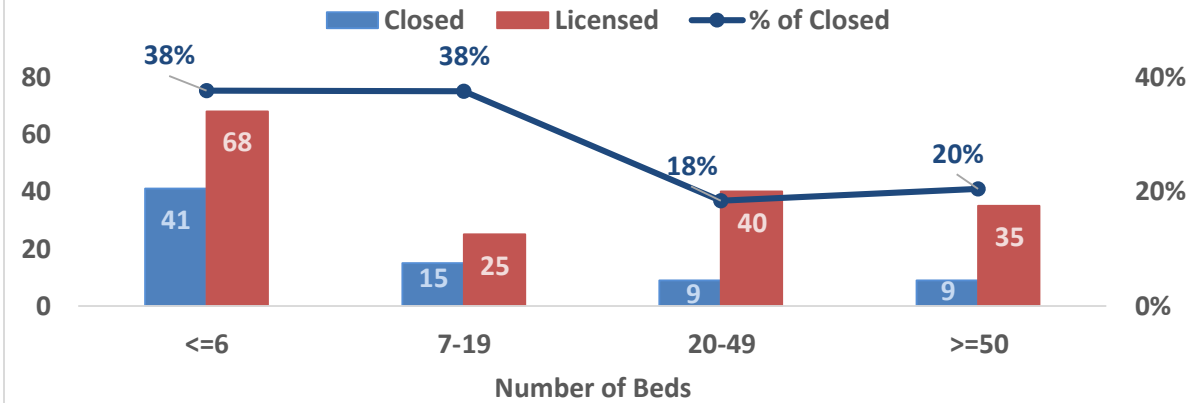


Figure 2. Number of Beds Lost in Adult Residential Facilities Serving Residents with Mental Illness by Quarter - 2016 to Present



**Figure 3. Number of Closures of Adult Residential Facilities
by Facility Size 2016 to Present**



**Table 1. Number of Closures of Adult Residential Facilities by Facility Size
2016 to Present**

No. of Beds	Closed	Licensed	Grand Total	% of Closed
<=6	41	68	109	38%
7-19	15	25	40	38%
20-49	9	40	49	18%
>=50	9	35	44	20%
Grand Total	74	168	242	31%



DEPARTMENT OF MENTAL HEALTH

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Senior Deputy Director

March 4, 2022

TO: Supervisor Holly J. Mitchell, Chair
Supervisor Hilda L. Solis
Supervisor Sheila Kuehl
Supervisor Janice Hahn
Supervisor Kathryn Barger

FROM: Jonathan E. Sherin, M.D., Ph.D.
Director

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

The Alliance for Health Integration (AHI) was directed in a Board Motion passed on November 12, 2019, to provide updates every 180 days around the continued efforts and initiatives to support and sustain licensed residential care settings including Adult Residential Facilities (ARFs) and Residential Care Facilities for the Elderly (RCFEs). This report serves as the 180-day update following AHI's last report to the Board, which was provided on August 26, 2021.

This report will provide status updates on the licensed residential care system as well as various projects implemented by AHI to ensure that licensed residential facilities serving AHI clients continue to be well supported despite inadequate reimbursement rates. This includes reports on the following:

- 1) Cost of living adjustments implemented for all Supplemental Security Income (SSI) recipients resulting in a more substantial than usual annual increase of the 2022 Non-Medical Out of Home Care rate;
- 2) Ongoing efforts by AHI to support ARFs and RCFEs around COVID-19 response and management;
- 3) Utilization of the Mental Health Resource Location Navigator (MHRLN) by licensed residential facilities and service providers as a real-time bed tracking tool;

- 4) Commencement of the Licensed Adult Residential Care Association (LARCA), a membership association for providers of licensed residential care;
- 5) Planning and implementation of a capital improvements program for licensed residential facilities;
- 6) Legislative and funding changes at the state level including the release of \$805 million in Community Care Expansion program funding to support the acquisition, construction and rehabilitation of adult and senior care facilities, to support the preservation and expansion of licensed care; and
- 7) Recent facility closures and their impact on overall system capacity.

Non-Medical Out of Home Care Rate

One of the most significant problems plaguing licensed residential care settings that serve low-income clients with serious mental illness (SMI) has been the extremely low reimbursement rate set by state legislation for recipients of SSI income, otherwise known as the Non-Medical Out of Home Care (NMOHC) rate. This rate, for the last several years, has increased by only around \$10 annually, leaving licensed residential facilities with only around \$35 per day to fund the housing, meals, 24-hour care and supervision and other services they provide to their residents. In January 2022, however, the State enacted a plan to increase the payment rate for all SSI recipients not just those residing in licensed residential care settings, to adjust for cost of living increases that had been dialed back due to the recession in 2008. Accordingly, while this action was not directly intended to address the reimbursement crisis, it did result in a larger than usual rate increase, with the NMOHC rate increasing from \$1,079.37 per month for a SSI recipient in 2021 to \$1,211.77 per month in 2022 or around \$40 per day.

While this increase seems significant and is an improvement, the new NMOHC rate still does not solve the problem of the unsustainable financial model for licensed residential care facilities, especially considering the increasing costs of labor and food and the new costs imposed by COVID-19, including provision of personal protective equipment, rapid testing resources and other infection control needs. For this reason, facilities throughout the County that serve SSI recipients and individuals with SMI continue to rely heavily on special programs such as the Department of Health Services (DHS) and Department of Mental Health (DMH) Enriched Residential Care (ERC) Programs, which provide enhanced services rates for clients with complex needs in order to help facilities continue operations and meet the needs of their residents. Other facilities continue to serve only private pay clients, whose care rates are not dictated by the State, or to contract only with Regional Centers since reimbursement rates for their clients with developmental disabilities are supplemented by the State up to \$9,891 per month based on assessment of individual needs. As operational costs continue to increase, it remains imperative to focus on a

longer-term plan to increase the State reimbursement rate for facilities that serve SSI recipients to a level where facilities can be financially viable and provide the quality, high level of care needed by the residents they serve.

COVID-19 Response in Licensed Residential Care Settings

As the pandemic enters its third year, many operators of ARFs and RCFEs have become increasingly equipped and adept at managing COVID-19 cases and outbreaks within their facilities. While at the start of the pandemic it was necessary for AHI to provide extensive support and technical assistance to facilities around outbreak management, infection control, isolation and quarantine procedures and other topics related to the understanding and management of COVID-19, facilities now have the knowledge and tools to be more independent around COVID-19 response. For this reason and to relieve operators from having to report duplicative information to various entities, DMH and DHS have terminated the weekly distribution of surveys to assess for COVID-19 within ARFs and RCFEs that serve County clients. Instead, facilities are only required to report COVID-19 cases to the Department of Public Health (DPH) and Community Care Licensing Division (CCLD), who are now taking the lead on COVID-19 response. Though DMH and DHS are no longer monitoring COVID-19 cases directly, DPH shares access to data so that all agencies remain aware of which facilities are currently experiencing outbreaks. Additionally, when facilities report cases to DPH, DMH and DHS continue to make follow-up phone calls to offer any support needed to manage the outbreak including assistance with facilitating testing. In most cases, facilities are reporting their ability to manage the outbreaks independently without direct assistance from DMH or DHS.

In terms of access to COVID-19 vaccinations, as mentioned in the previous Board report, all licensed residential facilities have had the opportunity to provide onsite vaccination clinics through the Federal Pharmacy Partnership Program, which offered residents the initial two COVID-19 vaccines. At this time, most facilities have also been able to work with local pharmacy partners, County agencies or other resources to provide residents with onsite opportunities to receive COVID-19 booster shots. DPH and DHS also have capacity to assist with coordination and distribution of booster shots in cases where facilities are unable to coordinate these services independently.

Though overall COVID-19 response has significantly ramped down, DHS maintains one COVID Response Team that is available to make onsite visits and provide testing and technical assistance in cases where licensed residential facilities need more intensive assistance with outbreak management. Furthermore, facilities are aware of the support available to them through County resources and have not hesitated to reach out for assistance as needed.

Existing Projects

As detailed in the last Board report, Board-directed initiatives that were put on hold as a result of the initial COVID-19 crisis have resumed and are being addressed fully without the limitations previously imposed.

As previously mentioned, DMH successfully launched MHRLN in June 2021 to fulfill the Board's directive to implement a real-time bed tracking system for ARFs and RCFEs that serves SSI recipients Countywide. Since that time, the use of MHRLN has expanded to service providers across the County and an increasing number of facilities are regularly updating the system in order to raise awareness of their facilities and effectively fill vacant beds. DMH has made extensive efforts to engage with facility administrators to encourage use of the new system and educate them on the benefits of regularly updating their vacancy information. As a result, MHRLN has been effective in facilitating the placement of County clients by assisting service providers to connect with facilities in their area with vacant beds that are able to meet the specific needs of their clients.

At this time, MHRLN is only accessible to service providers within the County's directly-operated and contracted systems of care but may have capacity to become a public-facing resource in a future phase of the project. While this system has been helpful in assisting facilities to mitigate income loss resulting from unfilled beds, its success is heavily reliant on facility staff following through with updating vacancy information on a regular basis to ensure accuracy. For this reason, DMH continues to explore strategies to encourage facilities to update MHRLN at least weekly including implementing an automatic notification system that reminds facility administrators to update their vacancy information if they have not done so in more than one week. As a result of MHRLN's success, DMH has also begun to collaborate with other counties that are interested in replicating the system to manage their inventory of licensed care beds.

As previously reported, DPH Substance Abuse Prevention and Control (DPH-SAPC) has also been working in collaboration with DHS to continue efforts to pilot onsite substance use disorder (SUD) services at select licensed residential facilities that serve recipients of SSI and demonstrate high need for support around SUDs. Initially, this program was piloted at a facility in Pasadena serving both DHS and DMH clients and was making a positive impact. However, services were paused at the onset of the COVID-19 pandemic due to visitation restrictions at the facility. As rules around visitation have since relaxed at facilities countywide, DPH-SAPC has resumed its collaboration with DHS on the implementation of onsite SUD treatment at ARFs and RCFEs. DPH-SAPC now has SUD providers implementing services at three sites serving DHS and DMH clients. Two sites are pending final application approval and five sites pending application submission for this service. We expect that all seven pending sites will be connected to SUD services in the next quarter.

AHI has also made significant progress toward the development of a membership association for providers of licensed residential care facilities that serve low-income residents and residents with SMI. At the time of the last Board notification, AHI reported that the National Alliance on Mental Illness Greater Los Angeles County (NAMI GLAC) had been awarded \$500,000 in seed money from DMH to develop a nonprofit organization for this purpose. Since that time, with work from staff at NAMI GLAC as well as their consultants and a steering committee of stakeholders including facility owners, the Licensed Adult Residential Care Association (LARCA) has been formed. Currently, NAMI GLAC is working through the legal process to establish LARCA as a separate nonprofit entity and is interviewing candidates to fill the position of LARCA Executive Director. Once that position is filled, LARCA intends to elect a Board of Directors to continue guiding the association's work.

Though LARCA is still in its formation phase, NAMI GLAC is working with consultants to begin building its membership and implementing programming that will help members and prospective members to understand the value of belonging to the association. At this time, membership is limited to licensed residential facilities that are under-resourced and accept the NMOHC Rate. In order to build trust in the new association and demonstrate the benefits of joining, the first year of membership is provided to facilities at no cost. As their work progresses, LARCA hopes to become a key support to facilities that serve low-income residents and residents with SMI by providing resources, trainings and a space for facilities to come together around shared needs and advocacy agendas.

One of the first programs that LARCA was able to implement was an Emergency Assistance Program to address the burdens imposed on facilities by the recent Omicron surge. Through this initiative, LARCA secured grant funding for 1,260 rapid antigen tests that were mailed out to facility members. In addition, LARCA was able to obtain 44,100 KN95 masks and 960 hand sanitizer bottles from the Governor's Office of Emergency Services which were distributed to both existing and potential members. Currently, LARCA has 76 enrolled members, representing over 125 facilities across the County that serve SSI recipients, and will continue efforts to expand and recruit additional members.

As also reported in the last notification to the Board, AHI is continuing to work alongside philanthropic partners on a plan to implement a capital improvements program for licensed residential facilities using \$11.2 million in funding allocated by DMH and an additional \$5 million in funding from Cedars Sinai, which is administered by California Community Foundation. As previously mentioned, the philanthropic funding has been used in part to hire Genesis L.A. as a project manager along with Brilliant Corners to engage in further research around the licensed residential facility system including the completion of a

landscape scan and other analysis of the overall system functioning. The philanthropic funding will also be used to provide Physical Needs Assessments (PNAs) to a select number of facilities in order to inform decisions around which capital improvements should be prioritized. If this exercise proves successful, there is potential to expand the PNA pilot to additional facilities given the availability of new funding opportunities. Brilliant Corners is currently leading PNA implementation efforts and has identified a firm to conduct the PNAs with plans to begin assessments by the end of this quarter.

While funding for the actual capital improvements was initially limited to the \$11.2 million allocated by DMH, the scope and depth of the overall program has now increased with the introduction of Community Care Expansion (CCE) program funding that was announced in October 2021 as part of the State budget and is further explained below. AHI is hopeful that it can leverage the capital improvements program infrastructure that has been developed to date to inform the County's application for and deployment of CCE funding. While there will be significant funding available for capital needs through the CCE program, DMH still plans to use the \$11.2 million for capital improvements that may not qualify for CCE funding.

Community Care Expansion (CCE) Program and Other Legislative Updates

The CCE program was established through Assembly Bill (AB) 172 and includes \$805 million in funding statewide which can be used for the acquisition, construction and rehabilitation of adult and senior care facilities that serve SSI recipients, seniors, adults with disabilities and people experiencing homelessness. Based on the information released so far, 75% of this funding will be usable for acquisition, construction and expansion of capacity to serve the target population and will be distributed through a competitive process statewide. While the County may apply directly for these funds, tribal nations, nonprofits and private entities are also eligible to apply both independently and in partnership with the County. Applications for this competitive funding opportunity will be accepted on a rolling basis beginning February 15, 2022 through September 30, 2022 for priority consideration or until all funds are committed, with efforts in place to ensure that funds are distributed for geographic equity. The initial Request for Applications (RFA) for this portion of the funding was released on January 31, 2022, as a joint RFA with another funding source, Behavioral Health Continuum Infrastructure Program (BHCIP) which provides funding in the form of competitive grants to qualified entities to construct, acquire, and rehabilitate real estate assets, or to invest in mobile crisis infrastructure to expand the community continuum of behavioral health treatment resources. The State has encouraged applicants to identify creative ways to utilize these funding sources in combination to create innovative projects. AHI has already begun the process of analyzing the application to determine the most effective way to apply for this funding. The remaining 25% of CCE funding will be directly allocated to Counties and will be made available for the rehabilitation and preservation of

current adult and senior care facilities within the existing system of care. Information on program requirements and funding allocations for this portion of the funding has not yet been released. While a majority of this portion of the CCE funding will be dedicated toward capital projects, applicants may also request that part be used to establish a five-year Capitalized Operating Subsidy Reserve (COSR), which will be imperative to assisting low-income facilities with ongoing operational costs. AHI has been similarly engaged in a process of planning around the best way to effectively use these rehabilitation and preservation funds to strengthen the system of care within Los Angeles. While the CCE workgroup is currently exploring various options, AHI plans to brief the Board around this work in more detail as the planning process progresses.

AHI continues to also benefit from the passage of Assembly Bill (AB) 1766, which established data and reporting requirements for licensed residential facilities throughout the State and increased requirements for the State to provide data to Counties. The data provided through AB 1766 allows the County to better understand which facilities serve specific target populations including individuals experiencing SMI and recipients of SSI. Since this legislation is still new, the reports that AHI receives do not yet provide full and complete data as not all facilities respond to surveys requesting information and because there has been some confusion related to the questions posed including discrepancies around the definition of SMI. However, the reports have proven helpful in efforts to broaden the range of facilities that may have capacity to partner with the County as well as in expanding LARCA's ability to outreach and engage with facilities that may not yet be aware of the association. AB 1766 has also broadened the requirements for the State around reporting closures to the County. This has helped the County to stay aware of facility closures as they occur and to be able to intervene when possible in cases where closing facilities serve County clients.

Facility Closure

Despite the work by AHI to stabilize licensed residential care settings across the County, there continue to be several closures of both ARFs and RCFEs countywide based on data received from CCLD. Prior to the passage of AB 1766, the data that AHI reported to the Board only included ARF closures and was more tailored to specifically include facilities that served AHI's target population of individuals experiencing SMI and recipients of SSI income. This is because the data that CCLD provided to the County in earlier reports did not include RCFE closures since many of these facilities are private pay assisted living facilities serving aging adults. However, since the passage of AB 1766, AHI is now provided with a complete list of closures that have occurred throughout the County, which includes both ARFs and RCFEs many of which do not serve people experiencing SMI nor recipients of SSI income. AB 1766 also includes requirements that CCLD collect data around which facilities accept residents with SMI as well as which facilities accept residents

whose payment for care is the NMOHC Rate. While the data received from CCLD was not complete it does provide some insight around the proportion of closures that may have impacted the County clients.

The most recent report provided to the County by CCLD for the period between June 2021 and December 2021 indicates a total of 25 ARF closures that reflect a loss of 214 ARF beds. Only seven (7) of the 25 ARFs that closed during this period completed the AB 1766 survey and of those five (5) indicated they would accept residents with SMI, and four (4) indicated they would accept SSI recipients at the NMOHC Rate. The data also shows a total of 51 RCFE closures that reflect a loss of 486 RCFE beds. Of the closed RCFEs, only 23 completed the AB 1766 survey with only three (3) indicating that they would accept residents with SMI and only two (2) indicating they would accept SSI recipients at the NMOHC Rate. This data highlights that although closures are continuing to occur throughout the County, many of the closed facilities did not serve the County's target population. This is confirmed by the fact that of the closed ARFs, only two(2) facilities served DMH ERC clients and none served DHS ERC clients. None of the closed RCFEs served DMH ERC clients and two (2) served DHS ERC clients. The two (2) closed facilities that served DMH clients were Beverlywood Center, an 85-bed facility in West Los Angeles, and Ming Adult Residential, a six-bed facility in Arleta. The two (2) closed facilities that served DHS clients were both six bed facilities, A Better Love in Woodland Hills and La Valle Villa located in Sylmar. Both DHS and DMH were aware of the closure of all four (4) facilities and worked with CCLD to ensure DMH case managers were notified of impacted clients and could actively work to ensure their smooth transition to another appropriate care setting. Attachment I provides more details around closures including names and locations of closed facilities and graphs showing continued closure tracking from 2016 to present.

Next Steps

AHI is excited for the upcoming phases of work aimed at supporting, strengthening and improving the quality of licensed residential care throughout Los Angeles County. As LARCA continues to evolve and grow, AHI looks forward to facilities having capacity to collaborate around shared needs and having additional resources dedicated to supporting their success. DMH will also continue to work with facilities to effectively utilize the MHRLN bed tracking system in order to ensure that facilities are able to operate at full capacity and maximize income through filled beds and that vulnerable County residents are linked to housing that best fits their individual care needs. Moreover, the release of CCE program funding brings with it an opportunity to invest in and expand upon the licensed residential care system in unprecedented ways that have that potential to provide some needed relief

Each Supervisor
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to facility owners who are barely able to maintain their operations as well as drastically improve the facilities where AHI clients are residing.

The next report update will be submitted on September 5, 2022. If you have additional questions, please contact me or staff can contact Maria Funk, Deputy Director, at (213) 943-8465 or mfunk@dmh.lacounty.gov.

JES:MF:ymm

Attachment

c: Executive Office, Board of Supervisors
Chief Executive Office
Alliance for Health Integration
Department of Health Services
Department of Public Health

Adult Residential Facility (ARF) Closures June 2021 to December 2021							
Type	Name	Capacity	Address	City	Zip Code	SD	Closure Date
ARF	SOTO VILLA	6	666 WEST LEXINGTON DRIVE	GLENDALE	91203	5	6/15/2021
ARF	CHARITY CREST	6	110 S. SLOAN	COMPTON	90221	2	6/15/2021
ARF	EDGEMONT GUEST HOME	6	803 N. EDGEMONT AVENUE	LOS ANGELES	90029	3	6/17/2021
ARF	LORI'S ADULT RESIDENTIAL	6	20024 NORTHWOOD AVENUE	CARSON	90746	2	6/25/2021
ARF	GLENROSE HOME	4	2096 GLENROSE AVE	ALTADENA	91001	5	6/28/2021
ARF	M.A.R.C. SERVICES	6	12701 S. BUDLONG AVE	LOS ANGELES	90044	2	7/16/2021
ARF	WILLARD HOME	4	12921 WILLARD STREET	NORTH HOLLYWOOD	91605	3	7/21/2021
ARF	PALMS HOMES LLC	6	6235 CIMARRON STREET	LOS ANGELES	90043	2	7/28/2021
ARF	LINCOLN PALMS	6	3004 NORTH LINCOLN AVENUE	ALTADENA	91001	5	7/29/2021
ARF	RUOFF WHITTIER MANOR	6	10733 SO. RUOFF AVE.	WHITTIER	90604	4	7/30/2021
ARF	PATTERSON FAMILY HOME #2	6	2061 W. 96TH ST.	LOS ANGELES	90047	2	8/9/2021
ARF	CASA VELASCO	4	9209 COOLHURST DRIVE	PICO RIVERA	90660	4	8/17/2021
ARF	MITCHELL'S ADULT RESIDENTIAL FACILITY	4	44726 3RD ST EAST	LANCASTER	93535	5	8/18/2021
ARF	BEVERLYWOOD CENTER	85	1920 SOUTH ROBERTSON BLVD.	LOS ANGELES	90034	3	8/19/2021
ARF	MC KENZIE HOME	6	1850 MCKENZIE STREET	LONG BEACH	90805	4	8/21/2021
ARF	SMILE ADULT RESIDENTIAL FACILITY	3	938 EAST TURMONT STREET	CARSON	90746	2	8/25/2021
ARF	WCAY III	4	8805 2ND AVENUE	INGLEWOOD	90305	2	8/31/2021
ARF	CHALLENGE FIVE	6	604 W ELLIS AVE	INGLEWOOD	90302	2	8/31/2021
ARF	AGAPE FAMILY HOME	6	2511 3RD AVENUE	LOS ANGELES	90018	2	9/1/2021
ARF	HOME 2 U 8	4	1645 W 108TH STREET	LOS ANGELES	90047	2	9/20/2021
ARF	TOP OF THE HILL ADULT CARE FACILITY	6	806 E SANDPOINT CT	CARSON	90746	2	9/24/2021
ARF	MING ADULT RESIDENTIAL CARE	6	14267 GAGER STREET	ARLETA	91331	3	9/30/2021
ARF	SEALS ADULT GROUP HOME, INC.	8	3209 WEST 71ST STREET	LOS ANGELES	90043	2	10/8/2021
ARF	CASA DE LA VICTORIA	6	40624 152ND STREET EAST	LANCASTER	93535	5	10/9/2021
ARF	COMPASSIONATE ADULT RESIDENTIAL HOME #2	4	9362 NAGLE AVENUE	ARLETA	91331	3	12/21/2021

Residential Care Facility for the Elderly Closures June 2021- December 2021

Type	Name	Capacity	Address	City	Zip Code	SD	Closure Date
RCFE	D'ANGELO CARE VILLA	6	10 FRANCISCAN PLACE	PHILLIPS RANCH	91766	1	6/1/2021
RCFE	WILLOWS, THE	6	18171 ROSITA STREET	TARZANA	91356	3	6/3/2021
RCFE	A BETTER LOVE BOARD AND CARE	6	6108 SADRING AVE	WOODLAND HILLS	91367	3	6/3/2021
RCFE	DELUXE GUEST HOME	12	3260 PINE AVE.	LONG BEACH	90806	4	6/10/2021
RCFE	DELUXE GUEST HOME II	6	3266 PINE AVENUE	LONG BEACH	90806	4	6/10/2021
RCFE	SHAMROCK PLACE, THE	6	11716 LOUISE AVENUE	GRANADA HILLS	91344	3	6/16/2021
RCFE	OCEAN GARDENS VI, LLC	6	1304 PRINCETON AVENUE, #A	SANTA MONICA	90404	3	6/20/2021
RCFE	HELPING HANDS COMFORT CARE, INC.	4	6821 YARMOUTH AVE	RESEDA	91335	3	6/23/2021
RCFE	ST. MARY'S HOME 2017	6	18242 SYLVAN STREET	TARZANA	91335	3	7/2/2021
RCFE	A MAHALO CARE VILLA	6	38433 ANSET DRIVE	PALMDALE	93551	3	7/2/2021
RCFE	AA ELDERLY CARE INC	6	16701 LAHEY ST	GRANADA HILLS	91344	3	7/8/2021
RCFE	SUNSHINE HOMECARE I, LLC.	6	1806 SCHILLING COURT	TORRANCE	90501	4	7/14/2021
RCFE	SERENITY CARE HEALTH EVERGREEN COTTAGE	6	169 N MOUNTAIN TRAIL AVE	SIERRA MADRE	91024	5	7/20/2021
RCFE	ARCADY BOARD & CARE	6	3244 ASHTON PLACE	LANCASTER	93536	5	7/21/2021
RCFE	OLIVE TREE RESIDENTIAL CARE	6	11539 LEADWELL STREET	NORTH HOLLYWOOD	91605	3	7/22/2021
RCFE	LUCYS COMFORT HOME INC.	6	14136 HAYNES ST	VAN NUYS	91401	3	7/29/2021
RCFE	STUDIO CITY SENIOR CARE - #1	6	17220 BALLINGER STREET	NORTHRIDGE	91325	3	8/1/2021
RCFE	VIP VILLA	3	2400 EL PASEO STREET	ALHAMBRA	91803	1	8/2/2021
RCFE	KARTEENA'S RCFE	4	20019 MIDTOWN AVE	CARSON	90746	2	8/15/2021
RCFE	SUNFLOWER PLACE RCFE CORP	6	10022 E. AVENUE Q14	LITTLEROCK	93543	5	8/17/2021
RCFE	BECKFORD ASSISTED LIVING	6	7045 BECKFORD AVE	RESEDA	91335	3	8/19/2021
RCFE	LOVING HOME ELDERLY CARE	6	13162 ROSE STREET	CERRITOS	90703	3	8/24/2021
RCFE	BIRCHEAR VILLA	6	17150 BIRCHEAR STREET	GRANADA HILLS	91344	3	8/27/2021
RCFE	LA VALLE VILLA RCFE	6	15507 LA VALLE STREET	SYLMAR	91342	3	8/27/2021
RCFE	WESTSIDE QUALITY CARE MANOR	6	4111 LAFAYETTE PLACE	CULVER CITY	90232	2	8/28/2021
RCFE	ENCINO RETIREMENT HOME, INC.	6	5010 BALBOA BL.	ENCINO	91436	3	8/30/2021
RCFE	ENCINO RETIREMENT HOME, INC. #2	6	5002 BALBOA BLVD.	ENCINO	91316	3	8/30/2021

RCFE	ASTORIA 2	12	8041 BLACKBURN AVENUE	LOS ANGELES	90048	3	9/1/2021
RCFE	ASSISTED COMFORT HOME 2	6	6909 FALLBROOK AVE	WEST HILLS	91307	3	9/1/2021
RCFE	SUNRISE AT LENNOX	6	5339 LENNOX AVE	SHERMAN OAKS	91401	3	9/8/2021
RCFE	HOME WITH HEART, INC.	6	6900 ROYER AVENUE	WEST HILLS	91307	3	10/1/2021
RCFE	EARLIE JOY GARDENS	6	8316 TOPEKA DRIVE	NORTHRIDGE	91324	3	10/1/2021
RCFE	SUNSHINE HEIGHTS	6	5515 S. SHERBOURNE DR	LOS ANGELES	90056	2	10/14/2021
RCFE	GOLDEN LIFE MANOR IV	6	5809 E MARITA ST	LONG BEACH	90815	4	10/14/2021
RCFE	MERI ELLA HOME	6	8140 MATILIJIA AVENUE	VAN NUYS	91402	3	10/19/2021
RCFE	GRACIOUS HOMES	6	6 RIDGEWOOD CT.	POMONA	91766	1	10/21/2021
RCFE	GROVE AT COVINA, THE	6	225 NORTH LINDA TERRACE	COVINA	91723	1	10/24/2021
RCFE	A VILLA DE GUADALUPE	6	6544 SAINT CLAIR AVE	NORTH HOLLYWOOD	91606	3	11/4/2021
RCFE	AR DANIELLE HOME CARE	6	28324 N. INCLINE LANE	SAUGUS	91390	5	11/9/2021
RCFE	OCEAN VIEW VILLA	6	30429 CALLE DE SUEÑOS	RANCHO PALOS VERDES	90275	4	11/10/2021
RCFE	GREENBERRY MANOR	6	1429 GREENBERRY DRIVE	LA PUENTE	91744	1	11/12/2021
RCFE	MOUNTAIN VIEW ESTATES	6	1954 SKY VIEW DRIVE	ALTADENA	91001	5	11/29/2021
RCFE	MAGNOLIA COURT INC	6	3456 LOMBARDY ROAD	PASADENA	91107	5	12/6/2021
RCFE	VISTA VERANDA	178	3540 MARTIN LUTHER KING BLVD	LYNWOOD	90262	2	12/6/2021
RCFE	MANILA MANOR III	6	8043 MCNULTY AVENUE	WINNETKA	91306	3	12/19/2021
RCFE	RAYA'S PARADISE, INC.	9	825 LARRABEE ST.	WEST HOLLYWOOD	90069	3	12/20/2021
RCFE	GARBER VIEW MANOR	6	12555 GARBER STREET	PACOIMA	91331	3	12/21/2021
RCFE	WOODLAND WEST HOME	6	4845 ROSA RD	WOODLAND HILLS	91364	3	12/22/2021
RCFE	VILLA MULHOLLAND	6	22361 MULHOLLAND DRIVE	WOODLAND HILLS	91364	3	12/22/2021
RCFE	PEACH PALACE SENIOR CARE FACILITY	6	6936 PEACH AVENUE	VAN NUYS	91406	3	12/22/2021
RCFE	PEACH PALACE SENIOR CARE 1 FACILITY	6	6934 PEACH AVENUE	VAN NUYS	91406	3	12/22/2021

Figure 1. Number of Closures of Adult Residential Facilities Serving Residents with Mental Illness by Quarter - 2016 to December 2021

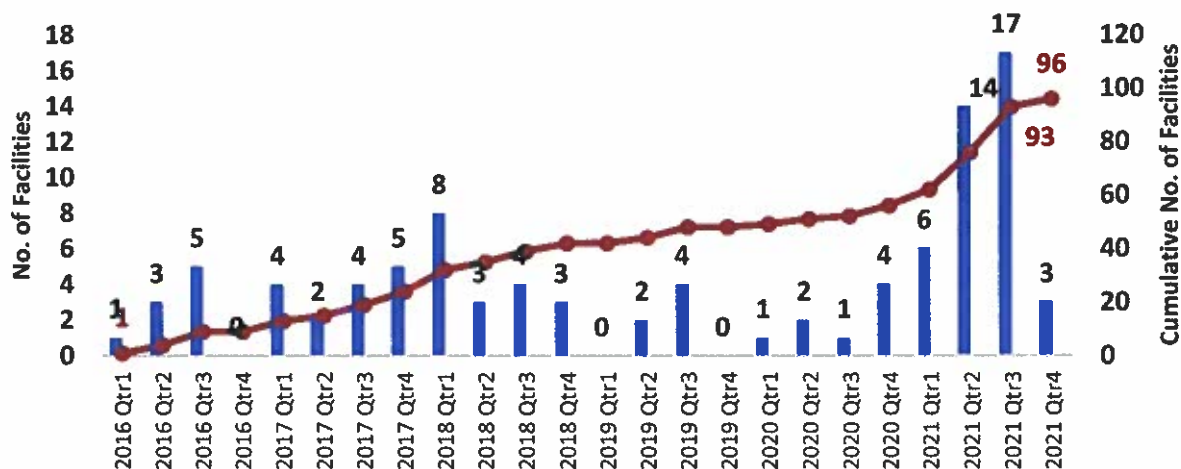


Figure 2. Number of Beds Lost in Adult Residential Facilities Serving Residents with Mental Illness by Quarter - 2016 to December 2021

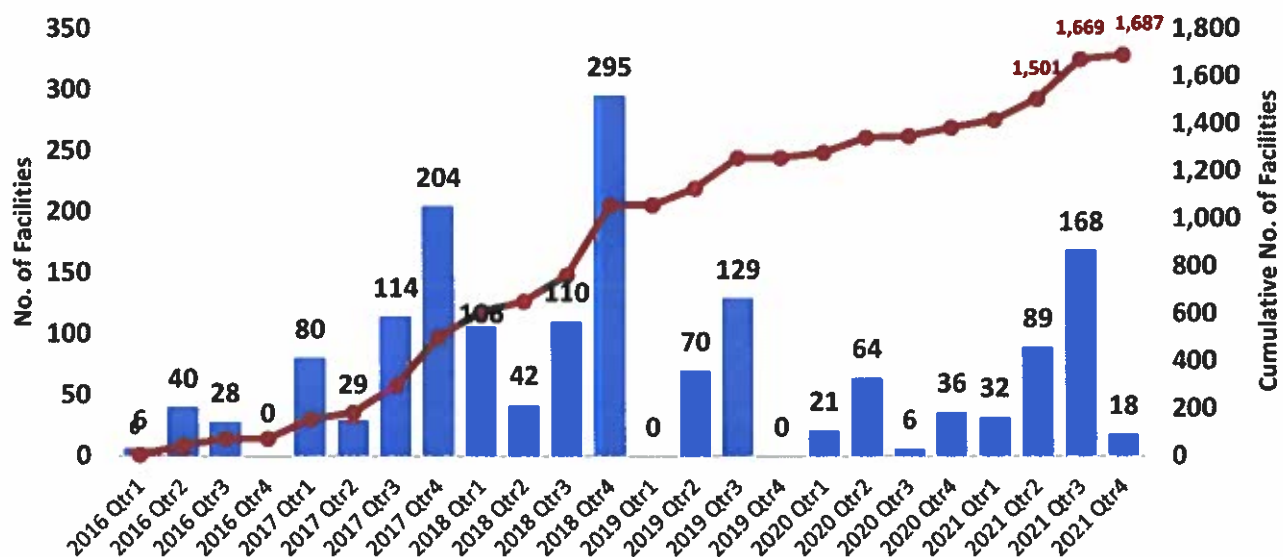


Figure 3. Closure Status by Number of Beds in Adult Residential Facilities Serving Residents with Mental Illness by Quarter 2016 to Present

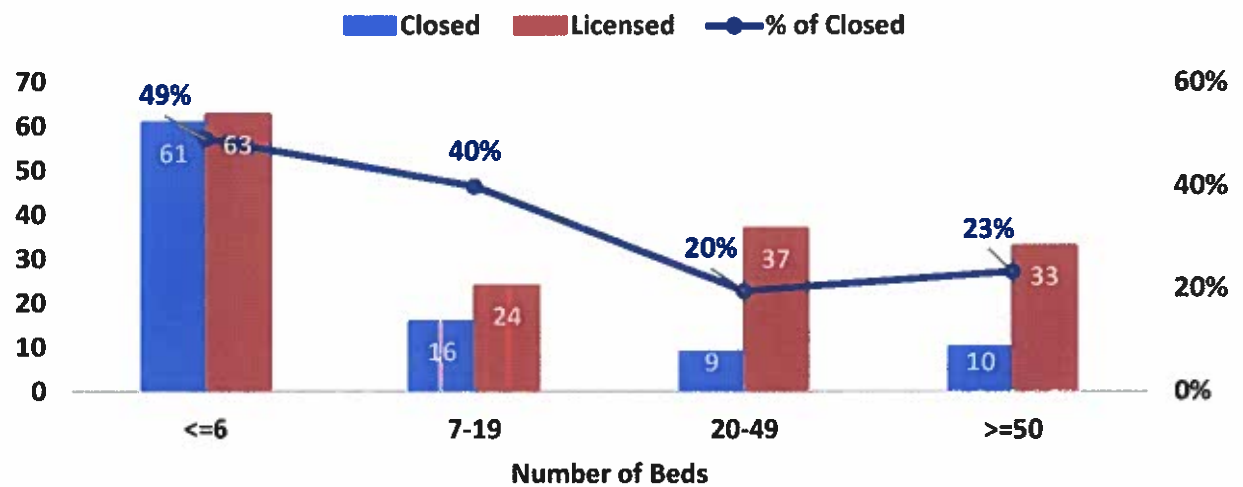


Table 1. Closure Status in Adult Residential Facilities Serving Residents with Mental Illness by Quarter 2016 to Present

No. of Beds	Closed	Licensed	Grand Total	% of Closed
<=6	61	63	124	49%
7-19	16	24	40	40%
20-49	9	37	46	20%
>=50	10	33	43	23%
Grand Total	96	157	253	38%

Table 2. AB 1766 Data: Number of Closed Facilities Accepting Client with SMI and SSI/SSP Income

Accepting Resident with a Serious Mental Disorder*	Accepting Residents with SSI/SSP**		Not Responded	Grand Total
	No	Yes		
ARF	5	6	85	96
No	3	1		4
Yes	2	5		7
Not Responded			85	85
RCFE	24	4	63	91
No	22	2		24
Yes	2	2		4
Not Responded			63	63
Grand Total	29	10	148	187

* A serious mental disorder is defined in WIC Section 5600.3 to mean a mental disorder that is severe in degree and persistent in duration, which may cause behavioral functioning which interferes substantially with the primary activities of daily living. Examples of serious mental disorder include, but are not limited to, schizophrenia, bipolar disorder, and post-traumatic stress disorder.

** California supplements SSI with the State Supplementary Payment (SSP) and the total rate is called the Non-Medical Out-of-Home Care Payment Standard.

Data Sources: Closure data and AB 1766 Survey



DEPARTMENT OF MENTAL HEALTH

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LISA H. WONG, Psy.D.
Acting Director

Curley L. Bonds, M.D.
Chief Medical Officer

Connie D. Draxler, M.P.A.
Acting Chief Deputy Director

September 5, 2022

TO: Supervisor Holly J. Mitchell, Chair
Supervisor Hilda L. Solis
Supervisor Sheila Kuehl
Supervisor Janice Hahn
Supervisor Kathryn Barger

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

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

The Alliance for Health Integration (AHI), then Health Agency, was directed in a Board Motion passed on November 12, 2019, to provide updates every 180 days on the continued efforts and initiatives to support and sustain licensed residential care settings including Adult Residential Facilities (ARFs) and Residential Care Facilities for the Elderly (RCFEs). This report serves as the 180-day update following the last report to the Board, which was provided on March 4, 2022.

This report will provide status updates on the licensed residential care system as well as various projects implemented by the Health Departments to ensure that licensed residential 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) Ongoing efforts by the Health Departments to support ARFs and RCFEs around COVID-19 response and management;
- 2) Utilization of the Mental Health Resource Location Navigator (MHRLN) by licensed residential facilities and service providers as a real-time bed tracking tool;
- 3) The Department of Public Health (DPH) - Substance Abuse Prevention and Control's (SAPC) efforts to increase substance use disorder (SUD) services at licensed residential facilities;

- 4) Development and growth of the Licensed Adult Residential Care Association (LARCA), a membership association for providers of licensed residential care;
- 5) Planning and implementation of a Capital Improvements Program for licensed residential facilities;
- 6) 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
- 7) Recent facility closures and their impact on overall system capacity.

COVID-19 Response in Licensed Residential Care Settings

The Health Departments, in collaboration with the Community Care Licensing Division (CCLD), have continued to work together to monitor COVID-19 outbreaks in licensed residential facilities and provide support as needed. The two Department of Health Services (DHS) COVID Response Teams (CRT) that were implemented in the fall of 2020 and were dedicated to provide this support sunsetted when the funding ended on June 30, 2022. The support and technical assistance that DPH has been providing to the facilities around outbreak management, infection control, and isolation and quarantine procedures are no longer as extensive; however, they are still needed. Facilities have improved their ability to manage COVID-19 cases and outbreaks, but there are many that are still in need of guidance when they occur. DPH continues to provide this support to CCLD and facilities through webinars, guidance emails and phone calls, COVID-19 and general infection prevention site visits, and infection prevention education through the Project Firstline program.

Mental Health Resource Location Navigator (MHRLN)

The number of facilities and providers utilizing MHRLN continues to grow, and the Department of Mental Health (DMH) continues to work on system improvements. For example, a new MHRLN Exception Report has been developed, which is generated every two weeks and notes the last time facility owners/administrators updated their bed availability. Those who have not submitted updates in MHRLN in the last 14 days are sent reminders to do so, which has improved usage of the system. Additionally, there has been an increase in access requests from service providers who would like to use the system to locate beds for their clients. At this time, MHRLN is still only accessible to facility owners and service providers within the County's directly-operated and contracted systems of care, but DMH continues to work on building out a public-facing portal with enhanced search features and increased accessibility. As of August 22, 2022, 219 directly-operated providers have requested and received access to the system along with 105 contracted users. Additionally, 60 facility operators have registered in order to be able to update bed availability in MHRLN.

SUD Services

As previously reported, DPH-SAPC has also been working in collaboration with DHS to continue efforts to pilot onsite SUD services at select licensed residential facilities, including ARFs and RCFEs that serve recipients of Social 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 – Tujunga, Lone Star – Manhattan, Pasadena Adult Living, and Royal Palm Crest in the Jefferson Park area) and is working to secure services for five additional sites. DPH-SAPC anticipates four of the five pending sites (Cedars Assisted Living in Northridge, Golden Assisted Living in Sylmar, Lone Star – Crenshaw, and The Manor in Santa Monica), will begin implementing services as soon as Memorandums of Understanding between the SUD providers and ARFs/RCFEs are executed. For the fifth site, a site application was finalized; however, the proposed SUD provider no longer has a contract with DPH-SAPC for SUD services and efforts to identify a new provider are actively underway.

LARCA

As reported in March, DMH entered into a contract with the National Alliance on Mental Illness Greater Los Angeles County (NAMI GLAC) to seed a membership association for licensed residential facilities that serve low-income residents and residents with serious mental illness. NAMI GLAC, their consultants and a steering committee of stakeholders, including community stakeholders and facility owners, have worked together to form this membership association, now known as the Licensed Adult Residential Care Association (LARCA). NAMI GLAC continues to work through the legal process to establish LARCA as a separate non-profit entity and has hired Bennie Tinson, MPP, as Executive Director of LARCA. LARCA has also hired a Membership Director.

A Member Launch Committee was created by LARCA to assist with outreach and planning, and, as of August 17, 2022, LARCA's membership had grown to 222 members (130 ARFs and 92 RCFEs). LARCA held a launch event on June 2, 2022, with the then Director of DMH, Dr. Jonathan Sherin (now retired), as the keynote speaker. LARCA continues to engage in outreach to further expand membership. Currently, LARCA is holding regular meetings with its membership; has developed and distributed regular member communications, including a member newsletter and news alerts; and has hosted two new member orientations and two member trainings. LARCA held elections for their Board of Directors in August 2022, and the Inaugural Board of Directors were sworn in on August 22, 2022. LARCA is also in the process of finalizing their strategic plan for the new fiscal year.

Capital Improvements Program

As also reported in the last notification to the Board, DMH and DHS are continuing to work alongside philanthropic partners on a plan to implement a Capital Improvements Program for licensed residential facilities using \$11.2 million in funding allocated by DMH and an additional \$5 million of aligned funding from Cedars-Sinai, which is administered by California Community Foundation (CCF). The services funded by Cedars-Sinai will help inform how the \$11.2 million can be used to maximize impact. For example, using the Cedars-Sinai funding, CCF contracted with Genesis LA and Brilliant Corners to conduct physical needs assessments at a select number of licensed residential facilities to determine their health and safety-related capital improvement needs in order to better understand which improvements should be prioritized and to complete financial modeling on what it actually costs to provide quality licensed residential care services. Also using the Cedars-Sinai funding, The Future Organization has been engaged to conduct research interviews with licensed residential facility operators and residents to inform nonprofits and government about the demographics, experiences and needs of these populations.

Community Care Expansion (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 will be usable for acquisition and construction projects that serve the target population and will be distributed through a competitive process statewide. Applications for this portion of the funding will continue to be accepted by the State through September 30, 2022, for priority consideration or until all funds are committed, with efforts in place to ensure that funds are distributed for geographic equity.

AHI has been facilitating a CCE Workgroup that includes DMH, DHS, Chief Executive Office (CEO) Homeless Initiative, and CEO Asset Management to develop a County CCE strategy focused on supporting the community network that is applying for CCE acquisition and construction funding. Although the County has decided not to apply directly for these funds, 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 beds expanded using CCE funding become available and to allow the County to fill those beds with eligible clients. AHI is leading the review of requests for a PA in partnership with DMH and DHS and will execute the agreements with eligible applicants. On June 29, 2022, AHI, the State and their intermediary, Advocates for Human Potential,

co-facilitated a webinar to inform potential applicants of the PA opportunity and to respond to questions about the CCE program. Thus far, over 50 facility operators in Los Angeles County have expressed interest in a PA to expand capacity.

The remaining 25 percent of CCE funding will be directly allocated to counties and will be made available for the rehabilitation and preservation of current adult and senior care facilities within the existing system of care. 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 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. Los Angeles County has been allotted \$19,654,821 in OSP funds and \$53,497,135 in CP funds. There is potential for additional funding to be disbursed from those counties that chose not to accept CCE Preservation Program funding.

As a requirement of acceptance of the CCE Preservation Program funds, DMH must create an Implementation Plan (IP), the initial draft of which is due to the State by October 15, 2022. The CCE Workgroup is currently working to create the IP, which must outline 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. Facilities at the highest risk of closure that could be prevented through OSP or CP funds and facilities with the highest percentage of qualified residents are to be prioritized. CCE Preservation Program funds require a 10 percent match. Given the alignment of the Capital Improvements Program with the CCE Preservation Program, the CCE Workgroup is exploring merging the two efforts and using the already committed \$11.2 million as the match for CCE. We are also exploring leveraging existing County infrastructure to administer this funding.

Legislation

There are a few pending legislative bills that may impact licensed residential facilities such as State Bill (SB) 1154, which would mandate the State Department of Public Health to develop a real-time, internet-based database to collect, aggregate and display information about beds in inpatient psychiatric facilities, crisis stabilization units, residential community mental health facilities and licensed residential adult alcoholism or drug abuse recovery or treatment facilities in order to facilitate the identification of available beds. DMH and DHS will continue to monitor this legislation and the potential impact on DMH's MHRLN bed tracking system. Unfortunately, there is no current legislation related to the issue that will

have the biggest impact on the stability of licensed residential facilities, which is an increase in the Non-Medical Out of Home Care (NMOHC) Rate that currently stands at only \$40 a day or \$1,211.77 a month. The next legislative session may provide opportunity to address this issue.

Facility Closures

As with the last report, 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 January 2022 and June 2022, indicates a total of 19 new ARF closures for a loss of 139 ARF beds and a total of 25 new RCFE closures for a loss of 144 RCFE beds. Of the closed facilities, only one ARF and one RCFE served DMH or DHS Enriched Residential Care (ERC) clients. The one closed ARF that served DMH clients was Regency Manor, a 49-bed facility in the Silverlake area of Los Angeles. The one closed RCFE that served DHS clients was Beit Shalom, a six-bed facility in West Los Angeles. Both DHS and DMH were aware of these impending closures and worked with CCLD to ensure case managers were notified of impacted clients and could actively work to ensure their smooth transition to another appropriate care setting. The attached document provides more details around these closures, including the names and locations of the closed facilities and graphs showing continued closure tracking for ARFs from 2016 to present. Of note is the fact that nearly 69 percent of ARF closures were for facilities with six beds or less.

Next Steps

AHI continues to expand the County's efforts to support, strengthen and improve the quality of licensed residential care throughout Los Angeles County through the initiatives outlined in this report including LARCA, MHRLN, and the Capital Improvements and CCE programs. As LARCA continues to evolve and grow, AHI looks forward to facilities expanding capacity to collaborate around shared needs and having additional resources dedicated to supporting their success. DMH will also continue to work not only with facilities to effectively utilize the MHRLN bed tracking system and ensure that they are able to operate at full capacity, but also with providers to better utilize the system and assist staff in locating licensed community based housing. Finally, the release of CCE funds by the State remains an important opportunity to expand the ARF and RCFE network, leverage the planned Capital Improvements Program and support residential care facility owners in preserving their existing facilities and preventing further closure of these vital housing resources for the County's most vulnerable residents.

Each Supervisor
September 5, 2022
Page 7

The next report update will be submitted on March 6, 2023. If you have additional questions, please contact me or staff can contact Maria Funk, Deputy Director, at (213) 943-8465 or mfunk@dmh.lacounty.gov.

LHW:MF:tld

Attachment

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

Adult Residential Facility (ARF) Closures January 2022 to June 2022							
Type	Name	Capacity	Address	City	Zip Code	SD	Closure Date
ARF	CAMERON HOME	6	1444 W 37TH STREET	LOS ANGELES	90018	2	1/1/2022
ARF	MURDOCK ARF	4	20029 ALVO AVE	CARSON	90746	2	1/3/2022
ARF	OPEN ARMS AND LOVING HANDS INC.	6	1205 WEST 88TH STREET	LOS ANGELES	90044	2	1/7/2022
ARF	AE UNIVERSITY	4	33534 RAINBOW BEND DR	ACTON	93510	5	2/10/2022
ARF	LOCKHEART LIVING ASSISTANCE FACILITY	6	14435 S CLYMAR AVE	COMPTON	90220	2	2/18/2022
ARF	JERRY'S HOUSE TRANSITIONAL CARE CENTER	4	241 E 62ND ST	LOS ANGELES	90003	2	3/1/2022
ARF	SILVERIO RESIDENTIAL HOME II	4	16425 LEMARSH STREET	NORTH HILLS	91343	3	3/7/2022
ARF	VINTA HOME	4	7357 NESTLE AVENUE	RESEDA	91335	3	3/8/2022
ARF	ACTIVE CARE HOME	6	1838 SOUTH RADWAY AVE	WEST COVINA	91790	1	3/22/2022
ARF	CHELLE'S HOME L.A.	5	430 E. KENDALL AVE	LOS ANGELES	90042	1	4/7/2022
ARF	VELEZ RESIDENTIAL CARE	4	14050 FIDLER AVE.	BELLFLOWER	90706	4	4/15/2022
ARF	AM'S RESIDENTIAL FACILITY	6	717 COLUMBIA STREET	LONG BEACH	90806	4	4/29/2022
ARF	REGENCY MANOR	49	3348 DESCANSO DRIVE	LOS ANGELES	90026	1	5/12/2022
ARF	HARRISON'S FAMILY HOME ADULT RESIDENTIAL	6	1617 HELMICK	CARSON	90746	2	5/13/2022
ARF	HILITE MANOR	6	1418 W. CALDWELL STREET	COMPTON	90220	2	5/14/2022
ARF	KAY-DES ASSISTED LIVING INC.	6	8705 NEARDALE STREET	PARAMOUNT	90723	4	5/17/2022
ARF	VELEZ RESIDENTIAL CARE II	5	14203 ARDIS AVE	BELLFLOWER	90706	4	5/23/2022
ARF	HOME IS EVERYTHING 2	4	10020 S HARVARD BLVD	LOS ANGELES	90047	2	5/26/2022
ARF	BEST LIFE - EASTSIDE	4	1822 PENNSYLVANIA AVE	LOS ANGELES	90033	1	6/8/2022

Residential Care Facility for the Elderly (RCFE) Closures January 2022 to June 2022

Type	Name	Capacity	Address	City	Zip Code	SD	Closure Date
RCFE	NORTHRIDGE GOLDEN NEST 3	6	19127 PRAIRIE STREET	NORTHRIDGE	91324	3	1/7/2022
RCFE	LIFESTYLE HOME CARE FOR SENIORS	4	11734 DORAL AVENUE	NORTHRIDGE	91326	3	1/24/2022
RCFE	KAIROS CARE LLC	6	9420 HOBACK STREET	BELLFLOWER	90706	4	2/1/2022
RCFE	IMAGO DEI HOME	6	336 W. 2ND STREET	SAN DIMAS	91773	5	2/3/2022
RCFE	SOUTH HILLS MANOR	6	3033 E. SUNSET HILL DRIVE	WEST COVINA	91791	1	2/16/2022
RCFE	A-GRACE HOME CARE	6	23029 FRISCA DRIVE	VALENCIA	91354	5	2/16/2022
RCFE	CRESCENT VILLA	6	849 N. CRESCENT HEIGHTS BLVD.	LOS ANGELES	90046	3	2/23/2022
RCFE	OCEAN GARDENS II, LLC	6	1259 24TH STREET	SANTA MONICA	90404	3	3/3/2022
RCFE	OCEAN GARDENS IV, LLC	6	1249 23RD STREET #B	SANTA MONICA	90404	3	3/3/2022
RCFE	OCEAN GARDENS I, LLC	6	2411 ARIZONA AVENUE	SANTA MONICA	90404	3	3/3/2022
RCFE	OCEAN GARDENS V, LLC	6	1247 25TH STREET	SANTA MONICA	90404	3	3/3/2022
RCFE	EVERGREEN ELDERLY CARE LIVING	6	45237 SANCROFT AVENUE	LANCASTER	93535	5	3/18/2022
RCFE	OCEAN GARDENS III, LLC	6	1249 23RD STREET, #A	SANTA MONICA	90404	3	3/23/2022
RCFE	BEIT SHALOM	6	8537 PICKFORD STREET	LOS ANGELES	90035	3	3/30/2022
RCFE	J.J. PALMS	6	19834 SEPTO STREET	CHATSWORTH	91311	3	4/5/2022
RCFE	TRIPPLE C	6	45046 18TH STREET WEST	LANCASTER	93534	5	4/27/2022
RCFE	LOUISE SENIOR CARE	6	10245 LOUISE AVE	NORTHRIDGE	91325	3	5/17/2022
RCFE	VALENCIA GUEST HOME	6	27719 CHERRY CREEK DR.	VALENCIA	91354	5	5/19/2022
RCFE	PINE TREE HOME	4	2401 ANGELA STREET	WEST COVINA	91792	1	5/20/2022
RCFE	PINE TREE HOME II	4	3031 SOUTH ADRIENNE DR.	WEST COVINA	91792	1	5/20/2022
RCFE	HEALTHY LIFE RESIDENTIAL CARE FACILITY	6	8627 BOTHWELL RD	NORTHRIDGE	91324	3	5/26/2022
RCFE	FROM THE HEART SENIOR LIVING	6	19238 ARMINTA ST	RESEDA	91335	3	6/2/2022
RCFE	ROSE VALLEY COLMAN	6	672 COLMAN STREET	ALTADENA	91001	5	6/6/2022
RCFE	ROSE VALLEY ALTADENA I	6	2135 SANTA ANITA AVE	ALTADENA	91001	5	6/14/2022
RCFE	THE MANOR HOUSE OF LOS ANGELES HOME CARE, LLC,	6	345 N. HARVARD BLVD.	LOS ANGELES	90004	3	6/28/2022

Figure 1. Number of Closures of Adult Residential Facilities by Quarter - 2016 to Present

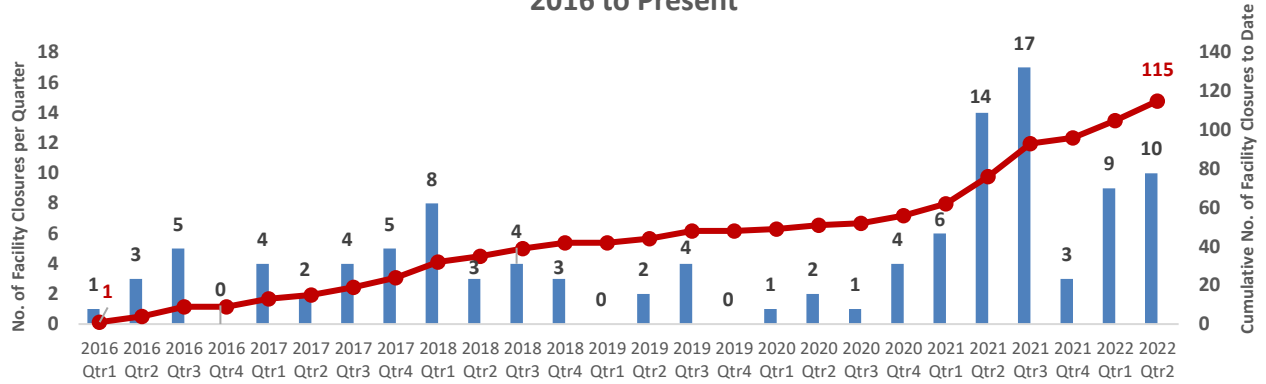


Figure 2. Number of Beds Lost due to Adult Residential Facility Closures by Quarter - 2016 to Present

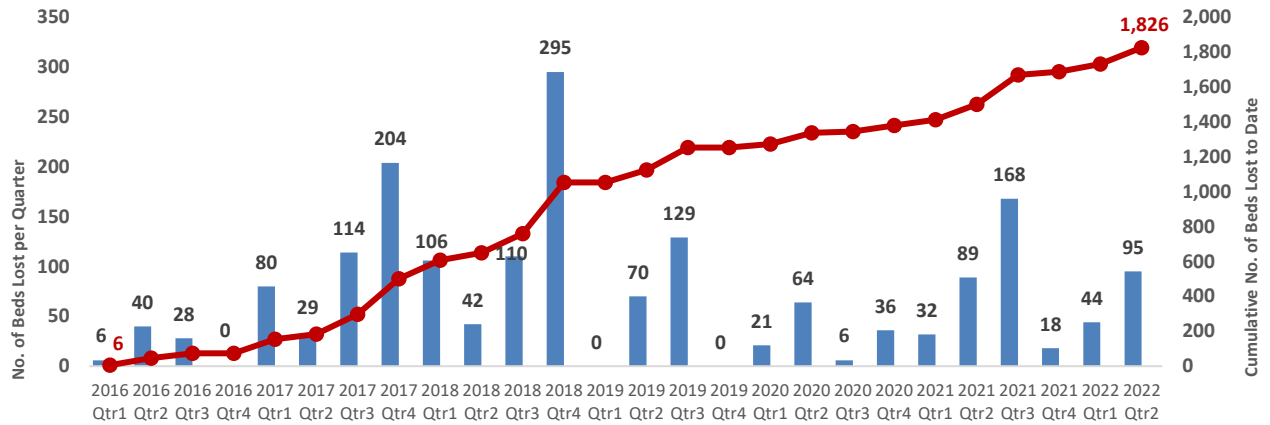


Table 1. Adult Residential Facility Closures by Facility Size - 2016 to Present

Facility Size	Number of Closures	% of Total Closures
<=6 Beds	79	68.7%
7-19 Beds	10	8.7%
20-49 Beds	10	8.7%
>=50 Beds	16	13.9%
Total	115	100%



DEPARTMENT OF MENTAL HEALTH

hope. recovery. wellbeing.

LISA H. WONG, Psy.D.
Director

Curley L. Bonds, M.D.
Chief Medical Officer

Connie D. Draxler, M.P.A.
Acting Chief Deputy Director

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(c)(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/Public 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

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

Attachment

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	CONTES RESIDENTIAL CARE	6	6895 CONTES 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	SAFEWEY 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

Figure 1. Number of Closures of Adult Residential Facilities by Quarter - 2016 to Present

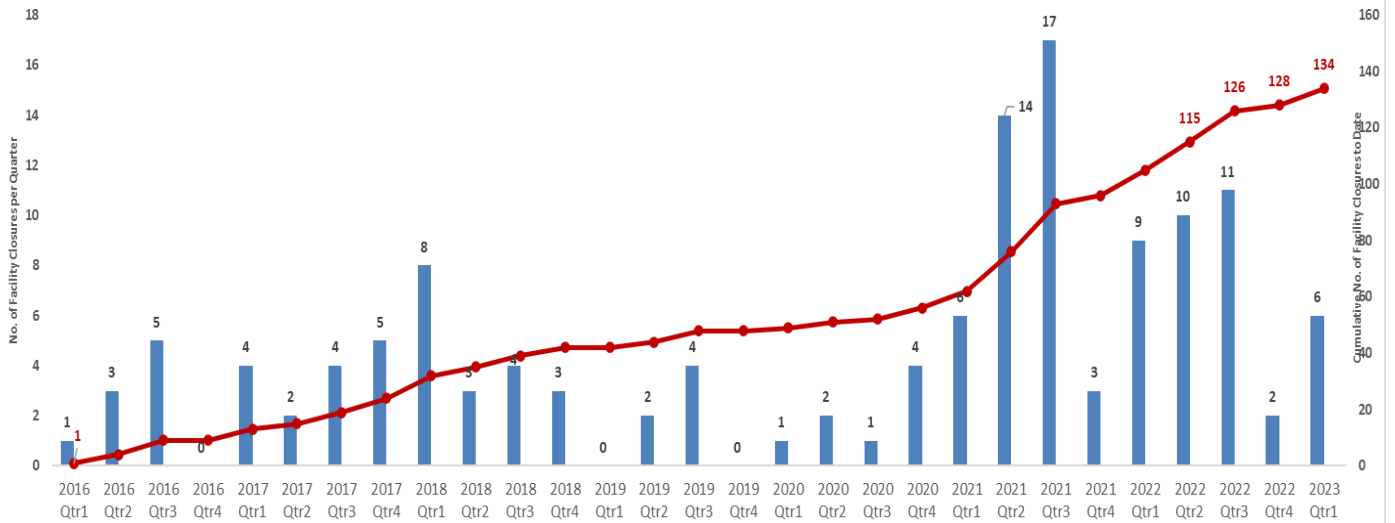


Figure 2. Number of Beds Lost due to Adult Residential Facility Closures by Quarter - 2016 to Present

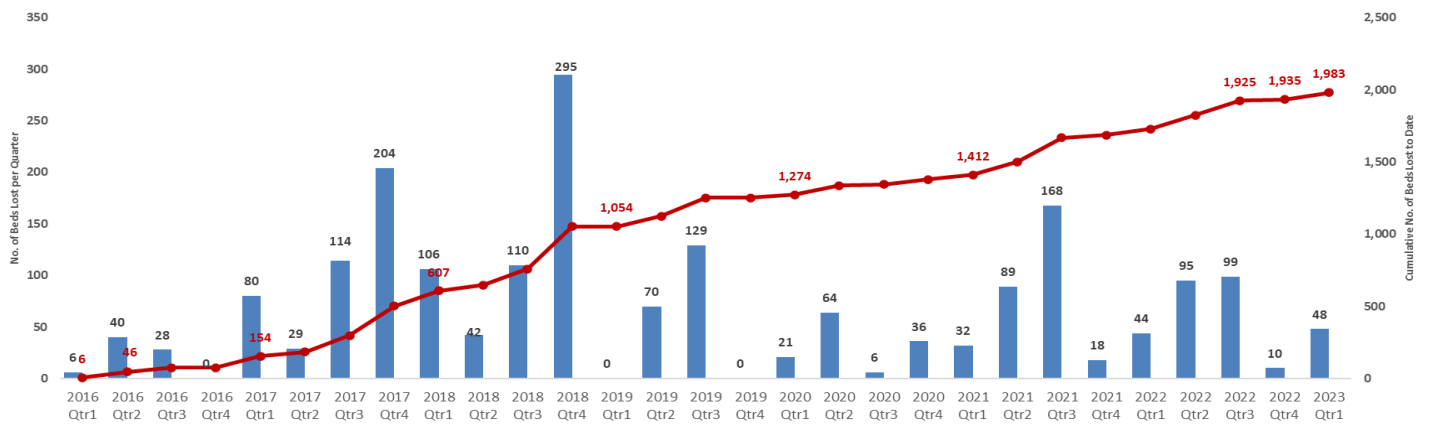


Table 1.
Adult Residential Facility Closures by Facility Size – 2016 to Present

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%



DEPARTMENT OF MENTAL HEALTH

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LISA H. WONG, Psy.D.
Director

Curley L. Bonds, M.D.
Chief Medical Officer

Connie D. Draxler, M.P.A.
Acting Chief Deputy Director

December 27, 2023

TO: Supervisor Lindsey P. Horvath, Chair
Supervisor Hilda L. Solis
Supervisor Holly J. Mitchell
Supervisor Janice Hahn
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 (County) as well as various projects implemented by the Health Departments to ensure that licensed residential care facilities (Facilities) serving individuals with complex medical and mental health needs and who accept the State's Non-Medical Out-of-Home Care (NMOHC) Rate can continue to operate despite inadequate reimbursement rates. This includes status updates on the following:

- 1) Development of an updated Mental Health Resource Location Navigator (MHRLN) system, which is an online application utilized by 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 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 Facilities and its role in supporting new funding opportunities;

- 5) Implementation of the State Community Care Expansion (CCE) Program, which provides funding for the acquisition, construction, rehabilitation and preservation of adult and senior care facilities among other housing types, and the CCE Preservation Program, which will provide funding to County behavioral health departments for capital projects and operating subsidies for existing Facilities; and
- 6) Recent Facility closures and their impact on overall system capacity.

Mental Health Resource Location Navigator (MHRLN)

The Department of Mental Health (DMH) plans to launch an updated MHRLN portal in January 2024, which will be readily accessible to the public from the DMH website. Through MHRLN, County service providers and others seeking to assist their clients with locating a licensed residential care facility will have access to real-time information on the availability of beds at participating Facilities that have indicated that they will accept DMH clients. The portal's map feature will now be available to everyone, and users will have the capability to filter by geographic radius and such categories as age served, and specialty care services offered including memory care. Facility owners will also have direct access to make updates on bed availability themselves and will receive regular reminders to update their bed information.

Substance Use Disorder (SUD) Services

As previously reported, DPH-SAPC has been working in collaboration with Department of Health Services (DHS) to provide onsite SUD services, known as Field-Based Services (FBS), at select Facilities that serve recipients of Social Security Income (SSI) who demonstrate a high need for support around SUDs. This program was initially piloted at Pasadena Adult Living in Pasadena serving both DHS and DMH clients and has made a positive impact. DPH-SAPC currently has SUD providers implementing FBS at two other sites serving DHS and DMH clients (Alvarado Care Home in Pico-Union and Lone Star Board and Care - Tujunga in Tujunga), with another site (The Manor in Santa Monica) expected to be implemented in January 2024. DPH-SAPC also provided services to DHS clients at Lone Star Board and Care - Manhattan Place until it closed during this reporting period. DPH-SAPC continues to work on securing SUD services at four additional ARF/RCFE sites (Cedars Assisted Living in Northridge, Golden Assisted Living in Sylmar, Lone Star Board and Care - Crenshaw in View Park, and Royal Palm Crest in Jefferson Park). In the interim, DPH-SAPC Client Engagement and Navigation Services (CENS), which include SUD assessment and linkage, are being offered at high-need locations, as needed, including The Manor. DPH-SAPC will continue to assess whether CENS can be a bridge to implementing FBS while SUD treatment agencies' applications are submitted and completed.

SUD providers have reported challenges identifying qualified workforce members who can provide FBS. To address this barrier, DPH-SAPC updated the eligibility requirements of staff who can provide SUD FBS. This change in policy will allow additional staff to be identified to provide FBS and for SUD treatment agencies to complete their FBS applications. Additionally, to address current challenges, DPH-SAPC met with DHS to confirm the service needs at each site and address any challenges/issues from both departments. It was agreed that monthly meetings will commence between DHS, current and prospective SUD FBS treatment providers, and ARFs/RCFEs, as needed, to expedite connections to SUD FBS providers. The first meeting was held on November 9, 2023.

Licensed Adult Residential Care Association (LARCA)

LARCA, a membership association for Facilities that serve low-income residents and residents with serious mental illness, is now in its second year of operation after DMH provided the National Alliance on Mental Illness, Greater Los Angeles County (NAMI GLAC) with seed funding to initiate its development. Bennie Tinson, MPP, continues to serve as LARCA Executive Director alongside a Board of Directors that was sworn in on August 22, 2022, as part of the requirements for LARCA to obtain its own nonprofit status. LARCA received its official 501(c)(3) certification on July 2, 2023.

LARCA's membership has grown to 418 members (283 ARFs and 128 RCFEs) as of December 2023. This includes 183 members that were added since May 2023. LARCA has continued to focus on establishing and activating seven Member Committees: Corporate Relations/Development, Membership, Economic Development, Marketing, Programming/Social, Finance, and Government/Public Affairs. LARCA also developed and distributed a survey to their membership to better understand members' insurance needs. This will help inform their insurance program for members to obtain discounts on liability, property, and workers' compensation insurance. They are also developing a Member Resource Directory to include discounted trades and services such as contractors, plumbers, electricians, and tax preparation services. LARCA is working with a development consultant to identify and pursue grants and funding opportunities and has applied for a number of new grants to promote its sustainability. In addition, a main focus of LARCA continues to be advocacy for an increase to the NMOHC Rate, which is the rate paid to Facilities by residents who have SSI and that currently is reimbursed at approximately \$44 per day or \$1,324.82 per month. LARCA members continue to engage in outreach and advocacy efforts with community organizations and elected officials across the state on this issue.

DMH and NAMI GLAC continue to work with LARCA to support their sustainability plan. LARCA's original contract with DMH and NAMI GLAC ended in August 2023; however, DMH executed a one-year extension of its contract with NAMI GLAC and added \$50,000

to the contract as LARCA continues to seek other funding through philanthropy and eventual implementation of a membership fee structure.

Capital Improvements Program

As reported in previous notifications to the Board, DMH and DHS have been working in partnership with philanthropic partners on a plan to implement a Capital Improvements Program for Facilities using \$11.2 million in funding allocated by DMH. However, with the development of the new CCE program (further outlined in the section below), the Capital Improvements Program will now be integrated into this larger program. To support these efforts, Cedars-Sinai has invested \$5 million, which is being administered by the California Community Foundation (CCF). CCF has contracted with Genesis LA and Brilliant Corners to conduct physical needs assessments of Facilities to determine which health and safety-related capital improvement needs should be prioritized and to complete financial modeling on the actual costs needed to provide quality licensed residential care services. These physical needs assessments will be used as part of the eligibility criteria for CCE Capital Projects (CP) funding and to determine which capital improvements are needed for those that apply for the CCE CP funds. As of October 23, 2023, 37 physical needs assessments have been completed.

Additionally, these dollars from Cedars-Sinai were also used to fund the consultancy firm, 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 were released on August 21, 2023. The study, titled [“Serving Our Vulnerable Populations: Los Angeles County Adult Residential Facilities and Residential Care Facilities for the Elderly”](#) provides an analysis of the landscape of ARFs and RCFEs in the County and is the most comprehensive study to date of its kind. The research results can be used to inform nonprofits, government entities, and community stakeholders about the demographics, experiences, and needs of these facilities and the populations they serve.

Community Care Expansion (CCE) Program

The CCE Program was established through Assembly Bill 172 and provides \$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, State Supplementary Payments (SSP) or Cash Assistance Program for Immigrants (CAPI) recipients, adults with disabilities, and people experiencing homelessness. Of this amount, 75 percent has been dedicated for acquisition and construction projects serving the target population and is being distributed through a competitive process statewide. The application period for this portion of the funding, called CCE Expansion, closed on June 1, 2023. DMH worked

with the California Department of Social Services (CDSS) to ensure that there were enough applications from eligible applicants to expend the full \$135,281,766 set aside for Los Angeles County. Applications continue to be under review by the State at this time.

As previously reported, CCE Expansion applicants were offered the opportunity to enter into a Partnership Agreement (PA) with the County, which indicates 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 now 35 executed PAs. To date, the State has announced seven awardees of CCE Expansion funds in Los Angeles County, with a total award amount of \$63.94 million and 336 proposed new beds. Of these awardees, three have executed PAs with the County. This includes Above and Beyond LLC, which was awarded CCE Expansion funds on October 23, 2023, to purchase a 94-bed property located in the Hollywood area called Anew Dawn. Since then, this Facility administrator has worked closely with the DMH Enriched Residential Care (ERC) team, as well as the DMH Homeless Outreach and Mobile Engagement (HOME) Team, the newly established Hollywood 2.0 Mental Health Cooperative team, and DHS, to expedite placements for some of the County's most vulnerable individuals.

The remaining 25 percent of CCE funding has been directly allocated to counties for the rehabilitation and preservation of current 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 the County. The CCE Preservation program consists of two components: Operating Subsidy Payments (OSP) and CP. OSP funds are intended to provide operating subsidies to existing 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 ensure the property will continue to be used 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 at least five years from the completion of the capital project funded through CCE. The County will receive \$41,988,170 in OSP funds and \$55,560,974 in CP funds for a total of \$97,549,144.

In July 2023, the State announced a change in third-party administrator from Advocates for Human Potential to HORNE for the CCE Program. This change led to delays to the implementation of the CP and OSP funds being administered. DMH is currently in contract negotiations with the new third-party administrator, HORNE, to finalize the

language in the Program Funding Agreement (PFA) between the County and HORNE. The contract is expected to be executed and the program launched in January 2024.

DMH has partnered with the Los Angeles County Development Authority (LACDA) to implement and oversee the CP portion of the CCE Preservation Program. Once the PFA between the County and HORNE is executed, DMH and LACDA will be able to finalize a Memorandum of Understanding (MOU). LACDA has contracted with Grow America (formerly National Development Council) to create an application portal for the award of CP funds, which will open in January 2024. Grow America will provide training and technical support to Facilities on program eligibility and how to access and complete the required information in the portal. Applications will be reviewed by both Grow America, LACDA, and DMH/DHS using a scoring rubric, which was developed in collaboration with the Anti-Racism, Diversity and Inclusion Initiative to determine Facilities most in need using an equity lens. This scoring rubric will take into account the number of current residents receiving or eligible for SSI, Facility location, current number of Facilities operating in the Service Planning Areas, Point-in-Time Count data from the Los Angeles Homeless Services Authority, and data from the physical needs assessments. All potential applicants must be currently licensed facilities that serve residents who are homeless or are at risk of homelessness and who receive SSI, SSP, or CAPI benefits. Once awardees are chosen, LACDA will work with the facilities to create an agreement with a construction vendor and will oversee the construction of the projects.

DMH plans to leverage the contract with Brilliant Corners held by DHS to administer the OSP funds. These subsidy funds will be allocated through DMH's ERC Program, providing enhanced rate payments to qualifying Facilities that are in addition to any monthly rent payments received for eligible clients. Once the PFA with HORNE is executed, DMH will release an application to Facility owners/operators to assess interest in the OSP portion of the CCE Preservation Program and outline the requirements. DMH staff will review the completed surveys and, after determining that all program requirements are met, then interested and qualifying Facilities will be eligible to receive OSP funds.

Facility Closures

Since the last report, DMH received closure data from CDSS Community Care Licensing Division (CCLD) for Quarter 2 and Quarter 3 of 2023 as well as data from Quarter 4 of 2022 that was missing from the previous Board report. (An update on closure data for Quarter 1 of 2023 was included in the previous Board report.)

The 2022 Quarter 4 data, which looks at the period between October and December 2022, indicates that there were four ARF closures for a loss of 20 beds and eight RCFE

closures for a loss of 54 beds. This is in addition to two ARF closures for a loss of 10 beds that also took place in Quarter 4 of 2022 but were included in the last Board report and misattributed to Quarter 3 of 2022. The additional data from the period between April and September 2023 indicates that there were 14 additional ARF closures for a loss of 88 beds and seven additional RCFE closures for a loss of 65 beds. Of these facilities, none served DMH ERC clients and only two facilities, Sunnyside Residential Assisted Living for the Elderly and Lone Star Board and Care – Manhattan Place, served DHS ERC clients. Prior to the closure of these two facilities, DHS relocated the three ERC clients residing at Sunnyside and 16 ERC clients residing at Lone Star Board and Care to other RCFEs and ARFs in the area. The tables in Attachment I provide updated details around the closures including names and locations of the closed facilities and graphs showing continued closure tracking data on ARFs from 2016 to present. As with previous reports, the largest percentage of closures continues to be smaller facilities with six 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 the County through the initiatives outlined in this report including MHRLN, LARCA, and the CCE Program. With LARCA's new 501(c)(3) status and plans for additional funding through philanthropic grants, DMH hopes to see even more Facilities join the organization, strengthening their network of support and resources, and expanding capacity to advocate for their needs and the needs of their residents. DMH also eagerly anticipates the release of the public-facing MHRLN portal later this month, 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 meet their clients' needs. Finally, the impending additional awards of CCE Expansion 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 growing and preserving the number of beds in our system and the number of residents supported in Facilities. 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.

Each Supervisor
December 27, 2023
Page 8

The next report update will be submitted on June 20, 2024. 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:tld

Attachment

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

Table 1: ARF Closures Q4 2022

Adult Residential Facility (ARF) Closures – October 2022 to December 2022							
Type	Name	Capacity	Address	City	Zip Code	SD	Closure Date
ARF	CULLIVAN PLACE	4	2064 CULLIVAN STREET	LOS ANGELES	90047	2	12/23/2022
ARF	SB HOME INC	6	781 CANYONVIEW DRIVE	LA VERNE	91750	5	11/26/2022
ARF	UPSCALE CARE	4	3822 SUTRO AVENUE	LOS ANGELES	90008	2	10/29/2022
ARF	WRIGHT PLACE BOARD AND CARE	6	3915 S HARVARD BOULEVARD	LOS ANGELES	90062	2	10/15/2022

Table 2: RCFE Closures Q4 2022

Residential Care Facility for the Elderly (RCFE) Closures – October 2022 to December 2022							
Type	Name	Capacity	Address	City	Zip Code	SD	Closure Date
RCFE	SELF EVIDENT INC	6	1728 LEIGHTON AVENUE	LOS ANGELES	90062	2	12/8/2022
RCFE	SELF EVIDENT INC	6	1726 LEIGHTON AVENUE	LOS ANGELES	90062	2	12/8/2022
RCFE	MANOR HOUSE OF ANTELOPE VALLEY	6	45550 11TH STREET W	LANCASTER	93534	5	11/10/2022
RCFE	HAYVENHURST MANOR	6	10401 HAYVENHURST AVENUE	GRANADA HILLS	91344	3	11/1/2022
RCFE	COVELLO TOP NOTCH CARE LLC	6	18807 COVELLO STREET	RESEDA	91335	3	10/26/2022
RCFE	NINA'S ANGEL CARE HOMES, INC	4	17409 1/2 KINGSBURY STREET	GRANADA HILLS	91344	3	10/26/2022
RCFE	ARBOR GROVE CARE	6	14819 VALERIO STREET	VAN NUYS	91405	3	10/13/2022
RCFE	THEL'S BOARD AND CARE	14	969 WEST VERNON AVENUE	LOS ANGELES	90037	2	10/1/2022

Table 3: ARF Closures Q2 and Q3 2023

Adult Residential Facility (ARF) Closures – April 2023 to September 2023							
Type	Name	Capacity	Address	City	Zip Code	SD	Closure Date
ARF	VICTOR NORTH RESIDENTIAL CARE	4	1338 SOUTH RIDLEY AVENUE	HACIENDA HEIGHTS	91745	1	6/13/2023
ARF	VILLA ESPERANZA WYNN HOUSE	6	1920 EAST VILLA STREET	PASADENA	91107	5	5/31/2023
ARF	BJ CARE HOME II	6	3307 EAST AVENUE H	LANCASTER	93535	5	5/31/2023
ARF	SINCLAIR RESIDENTIAL CARE	4	2171 SINCLAIR STREET	POMONA	91767	1	5/11/2023
ARF	PEREZ FAMILY HOME II	6	332 NEILSON STREET	CARSON	90745	2	4/27/2023
ARF	COMPASION CARE ADULT RESIDENTIAL	6	143 EAST CENTRAL	MONROVIA	91016	5	4/13/2023
ARF	GEM'S HOME	6	22546 BERENDO AVENUE	TORRANCE	90502	2	4/13/2023
ARF	INFINITY LOVE CARE HOME	6	13904 ARDATH AVENUE	GARDENA	90249	2	9/29/2023
ARF	AWESOME CARE & LIVING, LLC	4	7038 7TH AVENUE	LOS ANGELES	90043	2	9/20/2023
ARF	GRACE RESIDENTIAL CARE III	6	5727 CHESLEY AVENUE	LOS ANGELES	90043	2	8/15/2023
ARF	LONE STAR BOARD & CARE MANHATTAN PL	22	1408 SOUTH MANHATTAN PLACE	LOS ANGELES	90019	2	8/8/2023
ARF	SAN ANSELMO MANOR, LLC	4	10409 SAN ANSELMO AVENUE	SOUTH GATE	90280	4	7/31/2023
ARF	MERCED CARE HOME	4	818 EAST MERCED AVENUE	WEST COVINA	91790	1	7/22/2023
ARF	SUTRO HOMES 1	4	4321 SUTRO AVENUE	LOS ANGELES	90008	2	7/19/2023

Table 4: RCFE Closures Q2 and Q3 2023

Residential Care Facilities for the Elderly (RCFE) Closures – April 2023 to September 2023							
Type	Name	Capacity	Address	City	Zip Code	SD	Closure Date
RCFE	JONES RESIDENTIAL FACILITY	15	9307 BUDLONG AVENUE	LOS ANGELES	90044	2	6/6/2023
RCFE	WESTPORT HOME	20	10252 EAST AVENUE S	LITTLEROCK	93543	5	5/31/2023
RCFE	ANGEL'S MANOR CARE HOME	6	4802 BRISA DRIVE	PALMDALE	93551	5	5/28/2023
RCFE	BETTER DAYS ASSISTED LIVING	6	19431 ENADIA WAY	RESEDA	91335	3	5/16/2023
RCFE	HAMLIN ELDER CARE	6	20300 HAMLIN STREET	WINNETKA	91306	3	5/10/2023
RCFE	SUNNYSIDE RES. ASSIST. LIVING FOR THE ELDERLY, LLC	6	9200 HADDON AVENUE	SUN VALLEY	91352	3	4/7/2023
RCFE	OATHPARK	6	3518 W 60 TH STREET	LOS ANGELES	90043	2	8/18/2023

Figure 1: Total ARF Closures 2016 - Present

Figure 1. Number of Closures of Adult Residential Facilities by Quarter - 2016 to Present

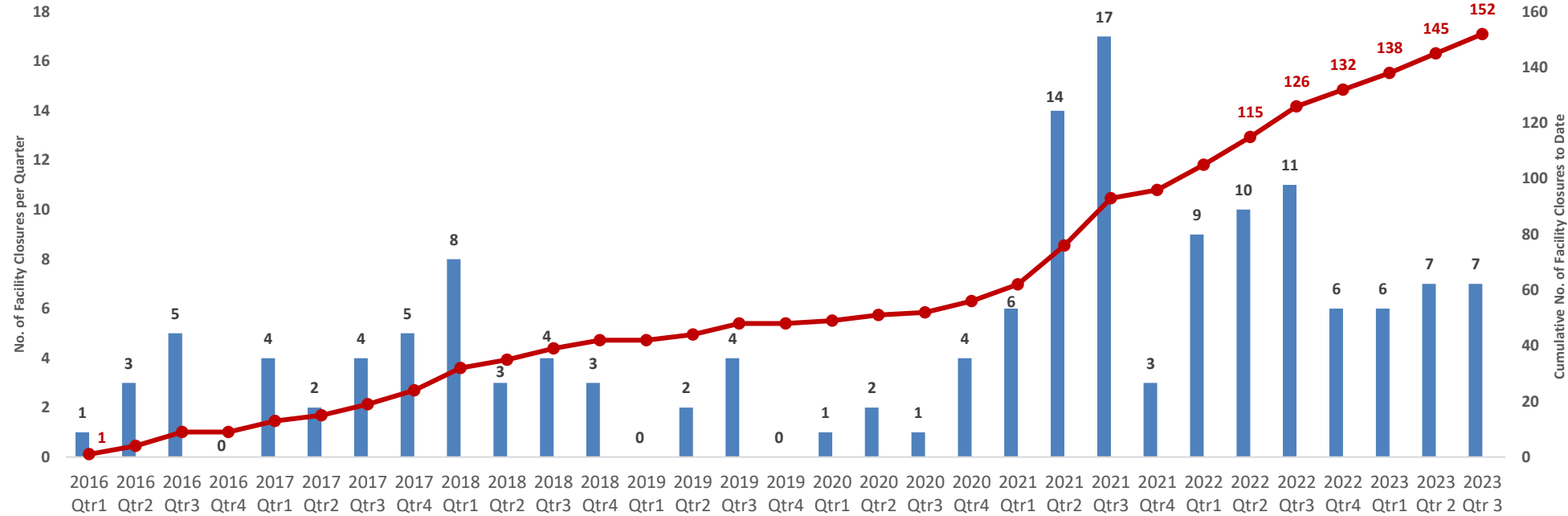


Figure 2: Total ARF Beds Lost 2016 - Present

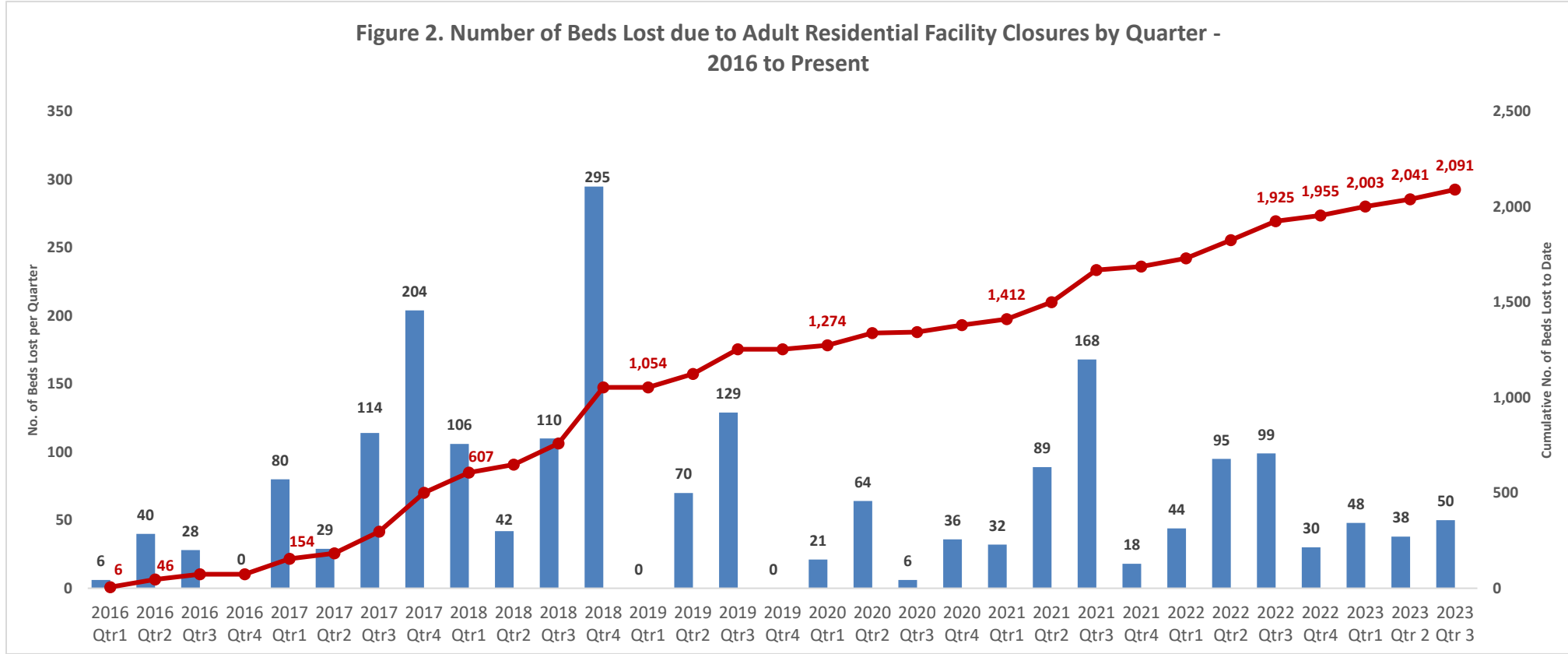


Table 5: ARF Closures by Facility Size 2016 - Present

Adult Residential Facility Closures by Facility Size - 2016 to Present		
Facility Size	Number of Closures	% of Total Closures
<=6	112	73.7%
7-19	17	11.2%
20-49	13	8.6%
>=50	10	6.6%
Total	152	100.0%



DEPARTMENT OF MENTAL HEALTH

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LISA H. WONG, Psy.D.
Director

Curley L. Bonds, M.D.
Chief Medical Officer

Connie D. Draxler, M.P.A.
Acting Chief Deputy Director

June 12, 2024

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

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

Connie D. Draxler

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 (Departments) to support and sustain licensed residential care settings including Adult Residential Facilities (ARFs) and Residential Care Facilities for the Elderly (RCFEs) 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 (County) as well as various projects implemented by the Departments to ensure that licensed residential care facilities (Facilities), that serve individuals with complex medical and mental health needs and that accept the State's Non-Medical Out-of-Home Care Rate or NMOHC Rate, can continue to operate despite inadequate reimbursement rates. This includes status updates on the following:

- 1) Development of the updated Mental Health Resource Location Navigator (MHLN) system, now referred to as the Enriched Residential Care (ERC) Directory, which is an online application utilized by 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 Facilities;
- 3) Development and growth of the Licensed Adult Residential Care Association (LARCA), a membership association for providers of licensed residential care;
- 4) Implementation of the State Community Care Expansion (CCE) Program, which provides funding for the acquisition, construction, rehabilitation, and preservation of adult and senior care Facilities among other housing types, and the CCE Preservation

Program, which provides funding to County behavioral health departments for capital projects and operating subsidies for existing Facilities;

- 5) New projects that will increase licensed residential care facility capacity for clients with Serious Mental Illness (SMI), as well as those with co-occurring SUDs, including progress on the Crocker Campus project and additional funding requested through the Behavioral Health Bridge Housing (BHBH) Program; and
- 6) Recent facility closures and their impact on overall system capacity.

1. ERC Directory (Formerly referred to as MHRLN)

On February 14, 2024, the Department of Mental Health (DMH) officially launched the updated ERC Directory application. The application is accessible to the public from DMH's public-facing website at <https://dmh.lacounty.gov/ercd/>. The ERC Directory replaces the former MHRLN system that was used for a similar purpose and renames it to reflect the purpose of the application more appropriately, which is to help individuals locate ERC settings. Through the ERC Directory, County service providers and others seeking to assist their clients with locating a facility have access to real-time information on the availability of beds at participating ERC Facilities that have indicated that they will accept DMH clients. The application's map feature, previously only available to staff working at clinics directly operated by DMH, is now available to all. Users also now have the capability to filter by geographic radius or Service Planning Area (SPA) and other categories such as age served, and specialty care services offered including memory care. Facility owners continue to have direct access to make updates on bed availability themselves through the application and receive regular reminders to update their bed information.

2. SUD Services

DPH-SAPC continues to expand SUD services at select Facilities including ARFs and RCFEs. Onsite SUD services include Field-Based Services (FBS) as well as Client Engagement and Navigation Services (CENS). CENS services serve as a bridge until FBS are implemented and provide Facility residents with outreach, engagement, SUD information/education (individual and group sessions) and linkages to treatment.

On February 8, 2024, DPH-SAPC was informed by Department of Health Services (DHS) that Royal Palm Crest, an ARF in SPA 6, had closed their facility. CENS were providing onsite services and terminated services upon closure. As a result of Royal Palm Crest's closure, DHS identified a new site in SPA 6, Highland Manor for SUD services. Additionally, DHS requested SUD services at Cedars Assisted Living (SPA 2) and Henrietta's Leven Oaks (SPA 3). Although outreach efforts were made to establish onsite SUD services, DHS notified DPH-SAPC that both sites declined SUD services. Should there be a need for SUD services in the future at either site, DPH-SAPC will accommodate upon request.

Since the last update, DPH-SAPC implemented SUD FBS or CENS at ten ARF and RCFE sites identified by DMH and DHS. DPH-SAPC has implemented FBS at the following five sites serving DHS and DMH clients: Lone Star Tujunga (SPA 2), Pasadena Adult Living (SPA 3), Alvarado Care Homes (SPA 4), Anew Dawn Adult Living (SPA 4), and Lone Star Crenshaw (SPA 6). In addition, DPH-SAPC implemented CENS at the following five sites: Golden Assisted Living (SPA 2), Wyngate Villa Gardens (SPA 2), The Manor (SPA 5), Highland Manor (SPA 6), and Pico Rivera Gardens (SPA 7). DPH-SAPC is anticipating submission of FBS applications for four out of the five sites where CENS providers are providing onsite SUD services. Golden Assisted Living (SPA 2) declined onsite treatment services but requested ongoing CENS support. On April 25, 2024, CENS SUD services at The Manor were discontinued after the operator decided not to move forward. DPH-SAPC will revisit onsite SUD services at the Manor upon request. DPH-SAPC will continue to serve additional ARF and RCFE sites as requested by DHS and DMH and upon the availability of CENS or FBS.

DPH-SAPC continues to have ongoing monthly meetings with DHS and DMH, current and prospective SUD FBS treatment providers, and ARF/RCFE agencies, to address existing challenges and provide support.

3. LARCA

LARCA, a membership association for Facilities that serve low-income residents and residents with SMI, is now in its third year of operation after DMH provided the National Alliance on Mental Illness, Greater Los Angeles County (NAMI GLAC) with seed funding to initiate its development. Bennie Tinson, MPP, continues to serve as LARCA Executive Director alongside a Board of Directors that was sworn in on August 22, 2022, as part of the requirements for LARCA to obtain its own nonprofit status. LARCA received its official 501(c)(3) certification on July 2, 2023.

After a recent audit of their membership database, LARCA reports that its membership has grown to 446 Facilities (244 ARFs and 202 RCFEs) as of May 2024. LARCA is developing a monthly Government Education and Engagement Roundtable which will provide LARCA members the opportunity to engage with policymakers from local, state, and federal governmental agencies who have jurisdiction over policies, programs, and funding impacting state licensed ARFs and RCFEs. LARCA hopes to use this monthly roundtable to strengthen and expand relationships between policymakers, licensees, and administrators of ARFs and RCFEs.

In addition to ongoing education and advocacy efforts, LARCA continues to work to expand member resources and benefits. To this end, LARCA is exploring the possibility of joining a Group Purchasing Organization (GPO) in order to assist members in reducing operational

costs and streamlining procurement processes as well as entering into a food supplier partnership to leverage the collective purchasing power of LARCA members and help them obtain groceries and janitorial supplies at a discounted price. Additionally, LARCA will launch its Member Discount and Resources Directory in June 2024. This online directory will be available exclusively to LARCA members and will provide them with access to savings on goods and services.

When DMH's two-year contract for seed funding for LARCA ended in August 2023, DMH executed a one-year extension to their contract to allow them to expend all of their original funds and DMH added an additional \$50,000 to give them more time to meet the requirement to become self-sustaining through a membership fee structure. However, LARCA has been slow to implementing a self-sustaining plan through membership fees and has been relying on philanthropy and other fundraising for revenue. DMH continues to support LARCA's sustainability planning and partnership through collaboration and bridging to other county departments and resources to continue providing enhancements to Facilities in the County.

4. CCE Program

The CCE Program was established through Assembly Bill (AB) 172 and provides \$805 million in funding statewide that can be used for the acquisition, construction, rehabilitation, and preservation of adult and senior care Facilities that serve recipients of Supplemental Security Income (SSI), State Supplementary Payment (SSP) or Cash Assistance Program for Immigrants (CAPI) funding, adults with disabilities and people experiencing homelessness. The State's CCE Program is comprised of two parts, the CCE Expansion Program and the CCE Preservation Program. The CCE Expansion Program is being directly administered by the California Department of Social Services (CDSS) and focuses on expanding the number of beds available for the target population through acquisition and construction projects. Of the total CCE Program funding, 75 percent has been dedicated for the CCE Expansion Program and was distributed through a competitive application process statewide that closed on June 1, 2023. The CCE Preservation Program, which is supported by the remaining 25 percent of CCE funds, focuses on preserving the number of beds in eligible existing Facilities through upgrades.

CCE Expansion Program

As previously reported, DMH worked with CDSS to ensure that there were enough applications from eligible applicants to expend the full \$135,281,766 in CCE Expansion Program funding set aside for the County. Applications continue to be under review by the State at this time. CCE Expansion applicants were offered the opportunity to enter into a Partnership Agreement (PA) with the County, which indicates to the State that the County is in support of the project and will lower the grant's match requirement to ten 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 using CCE Expansion funding, become available so that the County can fill those beds with eligible clients. The County received and executed 35 PA requests from applicants submitting CCE Expansion proposals. To date, the State has announced 11 awardees of CCE Expansion funds in the County, with a total award amount of \$145.56 million and 690 proposed new beds. This total award amount is larger than the County allocation and DMH is following up with CDSS to confirm the amounts and the status of any additional anticipated awards. Of those awards identified, some are for the expansion of Facilities, while others are for Permanent Supportive Housing or Recovery Bridge Housing. Two new awardees, Agapao Fellowship and Gateways Hospital and Mental Health Center are among the 35 who have executed PA's with the County. DMH continues to follow up with CDSS on final award notices to ensure it is aware of all County projects that are awarded CCE Expansion funds.

CCE Preservation Program

This funding was directly allocated to counties for the rehabilitation and preservation of existing Facilities. 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 the County. The CCE Preservation Program consists of two components: Operating Subsidy Payments (OSP) and Capital Projects (CP). OSP funds are intended to provide operating subsidies to existing Facilities to cover potential or projected operating deficits and help avoid closure. CP funds are intended to be used to preserve Facilities in need of repairs or required upgrades. Prior to the Fiscal Year (FY) 2024-25 May Revision to the Governor's Budget (May Revise), Facilities receiving OSP funds were required to have a deed restriction to ensure the property would continue to be used to provide licensed adult and senior residential care for at least the length of time that the County would be providing OSP funds. DMH voiced its concerns about this creating a significant barrier for operators to access the OSP funds and, fortunately, the May Revise included language in a trailer bill that will allow more flexibility to include deed restrictions or, alternatively, legally binding agreements. DMH believes that the adoption of this language will remove a significant barrier to the implementation of the OSP. The County will still require Facilities accepting CP funds to be deed restricted for five years from the completion of the capital project funded through CCE to protect the County from making significant investments in capital improvements at a facility only to have the owner sell the property at a profit. The County will receive from the State \$41,988,170 in OSP funds and \$55,560,974 in CP funds for a total of \$97,549,144.

As previously reported, DMH partnered with LACDA to implement and oversee the CP portion of the CCE Preservation Program. The MOU with LACDA was finalized on April 25, 2024. LACDA has contracted with Grow America (formerly National Development Council) to create an application portal for the award of CP funds, which opened on January 22, 2024. Grow America provided two trainings and technical support webinars to Facilities on program eligibility requirements and how to access and complete the required information in the portal.

The first webinar was offered on January 17, 2024, and the second, which included an in-person option, was held on January 29, 2024. DMH and LACDA provided extensive outreach to Facilities to encourage operators to apply during the application submission period, which closed on March 4, 2024.

A total of 112 applications were received, with 67 applications determined eligible and able to continue through scoring rounds. Applications continue to be under review by Grow America, LACDA, and DMH/DHS using a scoring rubric, which was developed in collaboration with the Chief Executive Office's Racial Equity office to determine Facilities most in need. The scoring rubric will consider the number of current residents receiving or eligible for SSI, the facility location, the current number of Facilities operating in the SPA, Point-in-Time Count data from the Los Angeles Homeless Services Authority, and data from the physical needs assessments (PNAs).

In addition to being used as part of the scoring rubric for CCE CP funds, the PNAs will also be used to determine which capital improvements are needed for those that apply for the CP funding. As of October 23, 2023, 37 PNAs have been completed. As reported in previous notifications to the Board, DMH and DHS initially began initiating PNAs as part of their work with philanthropic partners to implement a Capital Improvements Program for Facilities using \$11.2 million in Mental Health Services Act funding allocated by DMH. To support this effort, Cedars-Sinai also invested \$5 million, which is being administered by the California Community Foundation (CCF). CCF contracted with Genesis LA and Brilliant Corners to conduct PNAs to determine which health and safety-related capital improvement needs should be prioritized and to complete financial modeling on the actual costs needed to provide quality licensed residential care services. However, with the arrival of the State's CCE program, the Capital Improvements Program including the completion of PNAs has since been integrated into the County's CCE efforts. Additionally, LACDA has been conducting their own additional site review assessments and plans to finalize CP award amounts in early summer.

DMH plans to leverage the contract with Brilliant Corners held by DHS to administer the OSP funds. These subsidy funds will be allocated through DMH's ERC Program, providing enhanced rate payments to qualifying Facilities for newly eligible DMH ERC clients. These subsidies are in addition to any monthly rent payments or personal and incidental funds received by the client. The DMH CCE team is finalizing an application that will outline the CCE requirements for facility owners/operators to apply for the OSP portion of the CCE Preservation Program. DMH staff will review the completed applications and, after determining that all program requirements are met, interested and qualifying Facilities will be eligible to receive OSP funds. DMH anticipates opening the OSP application process in early summer.

5. New Projects

Crocker Campus

DMH is currently working in collaboration with DHS to develop a project-based ERC facility that will be located in the Skid Row area as part of the County's Crocker Campus Project. This facility, which will be licensed as a RCFE, is currently being constructed and will include a total of 48 beds for individuals who are age 60 and over and have been directly referred by DMH or DHS. The facility will also include space for indoor common areas, outdoor recreation, and staff offices. This facility will be administered by DMH and DHS and be operated by an experienced service provider. At this time, the Departments are in the process of negotiating a lease agreement with the property owner and anticipate the facility to be operational by November 2024.

Behavioral Health Bridge Housing

Behavioral Health Bridge Housing (BHBH) is a new funding source released by the California Department of Health Care Services (DHCS) to support the creation of bridge housing options that serve clients living with SMI and SUDs and that prioritize clients served by the Community Assistance, Recovery, and Empowerment (CARE) Program. As part of its application for Round 3 BHBH funding submitted on April 10, 2024, DMH applied for a total of \$57 million in Round 3, requesting \$43.5 million in operations funding and \$13.5 million in infrastructure funds. The operation funds will support the development of an estimated 180 new non-congregate Interim Housing (IH) beds. DMH also requested 120 Rental Assistance subsidies and an expansion of services for the Auxiliary Funds for Assisted Living Settings to subsidize up to 95 clients annually in highly enriched licensed residential care Facilities, all while ensuring Housing Navigation is provided to BHBH participants. DMH anticipates BHBH award announcements for Round 3 will be made in July 2024 by Advocates for Human Potential (AHP), DHCS' third-party administrator; however, the May Revise indicated some changes to BHBH funding beginning FY 2024-25, and DMH is waiting to hear from DHCS or AHP about any potential impacts on Round 3 funding.

6. Facility Closures

Since the last report, DMH has received closure data from the CDSS Community Care Licensing Division (CCLD) for Quarter 4 of 2023. Closure data for Quarter 1 of 2024 is still under review by the State and will be provided in the next Board report. The 2023 Quarter 4 closure data, which looks at the period between October and December 2023, indicates that there were three ARF closures for a loss of 11 beds and seven RCFE closures for a loss of 136 beds. Neither DMH nor DHS had clients residing at any of the Facilities that closed. The tables in Attachment I provide updated details around the closures including names and locations of the closed Facilities and graphs showing ARF closure data from 2016 to present.

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As with previous reports, the largest percentage of closures continues to be among smaller Facilities with six or fewer beds. All closed Facilities in this reporting period had six or fewer beds with the exception of one RCFE facility that had 100 beds.

Next Steps

The Health Departments will continue to work to expand the County's efforts to support, strengthen, and improve the quality of licensed residential care throughout the County through the initiatives outlined in this report. In particular, in the months ahead, we look forward to seeing LARCA use the momentum of its plans for additional funding through philanthropic grants and its expanded outreach efforts and resources to urge even more Facilities to join the organization, strengthening their network of support and expanding their capacity to advocate for facility and resident needs. Additionally, the impending additional awards of CCE Expansion 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 will be critical for growing and preserving the number of licensed residential care beds in our system and the number of residents supported in Facilities. DMH, along with LACDA, eagerly anticipates announcing the awardees of funding for the CP portion of the CCE Preservation Program as well as the launch of the OSP application.

The next report update will be submitted on December 17, 2024. 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:CDD:MF:lm

Attachment

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

Table 1: ARF Closures Q4 2023

Adult Residential Facility (ARF) Closures October 2023 - December 2023							
Type	Name	Capacity	Address	City	Zip Code	SD	Closure Date
ARF	PIONEER HOUSE	3	20534 PIONEER BLVD.	LAKEWOOD	90715	4	12/1/2023
ARF	LWEAVER HOMES INC	4	39801 171 ST STREET EAST	PALMDALE	93591	5	11/29/2023
ARF	SUNSHINE RESIDENTIAL HOME 4	4	1508 W 85TH STREET	LOS ANGELES	90047	2	11/1/2023

Table 2: RCFE Closures Q4 2023

Residential Care Facility for the Elderly (RCFE) Closures October 2023 - December 2023							
Type	Name	Capacity	Address	City	Zip Code	SD	Closure Date
RCFE	LOVE & CARE SENIOR LIVING, INC.	6	17710 MARTHA STREET	ENCINO	91316	3	12/21/2023
RCFE	HOME SWEET HOME II	6	23788 VIA JACARA	VALENCIA	91355	5	12/8/2023
RCFE	ALL HEARTS RESIDENTIAL HOME	6	2265 W 237TH STREET	TORRANCE	90501	4	11/2/2023
RCFE	SIERRA ROSE	6	3053 1/2 E DEL MAR BLVD.	PASADENA	91107	5	10/23/2023
RCFE	MEDAL RESIDENTIAL BOARDING & CARE	6	12952 ELKWOOD STREET	NORTH HOLLYWOOD	91605	3	10/19/2023
RCFE	SAINT CLAIR ASSISTED LIVING	6	6608 SAINT CLAIR AVE.	NORTH HOLLYWOOD	91606	3	10/12/2023
RCFE	TERRAZA OF CHEVIOT HILLS	100	3340 SHELBY DR.	LOS ANGELES	90034	3	10/10/2023

Figure 1: Total ARF Closures 2016 - Present

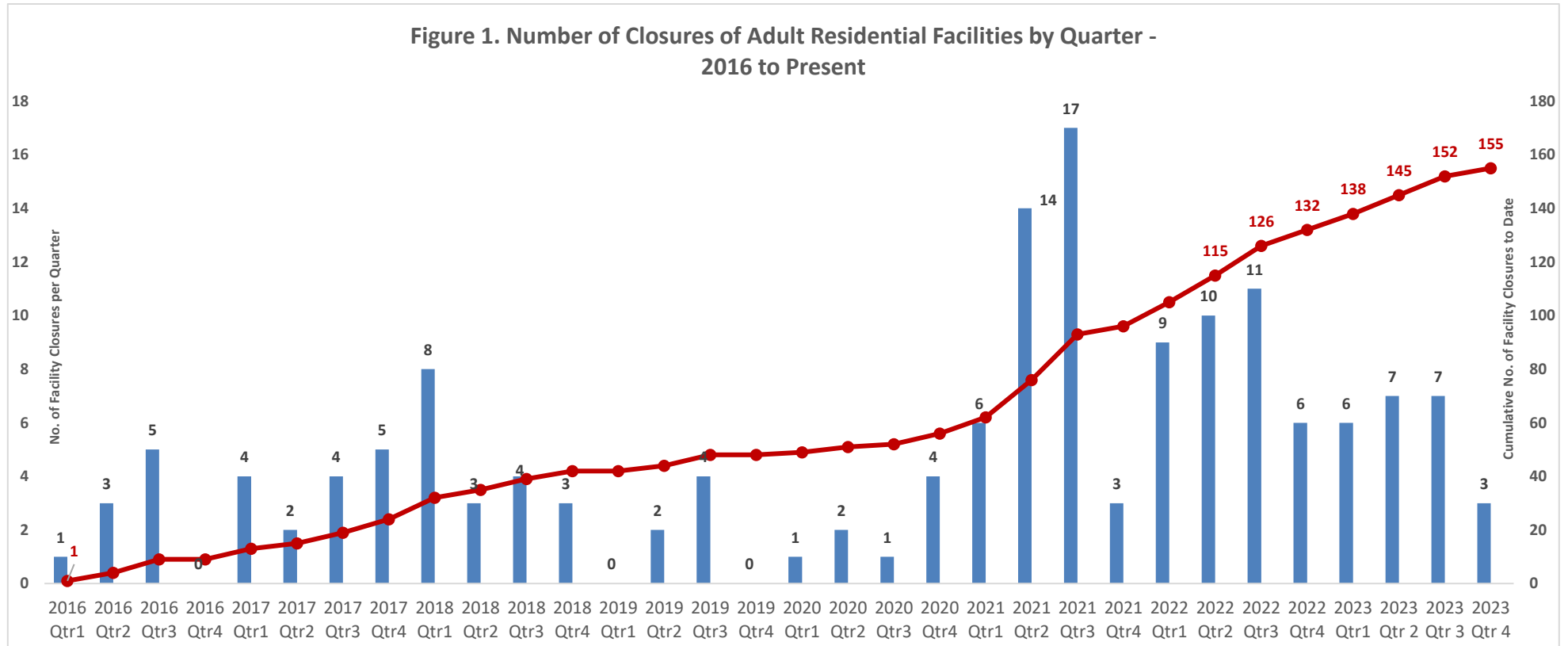


Figure 2: Total ARF Beds Lost 2016 – Present

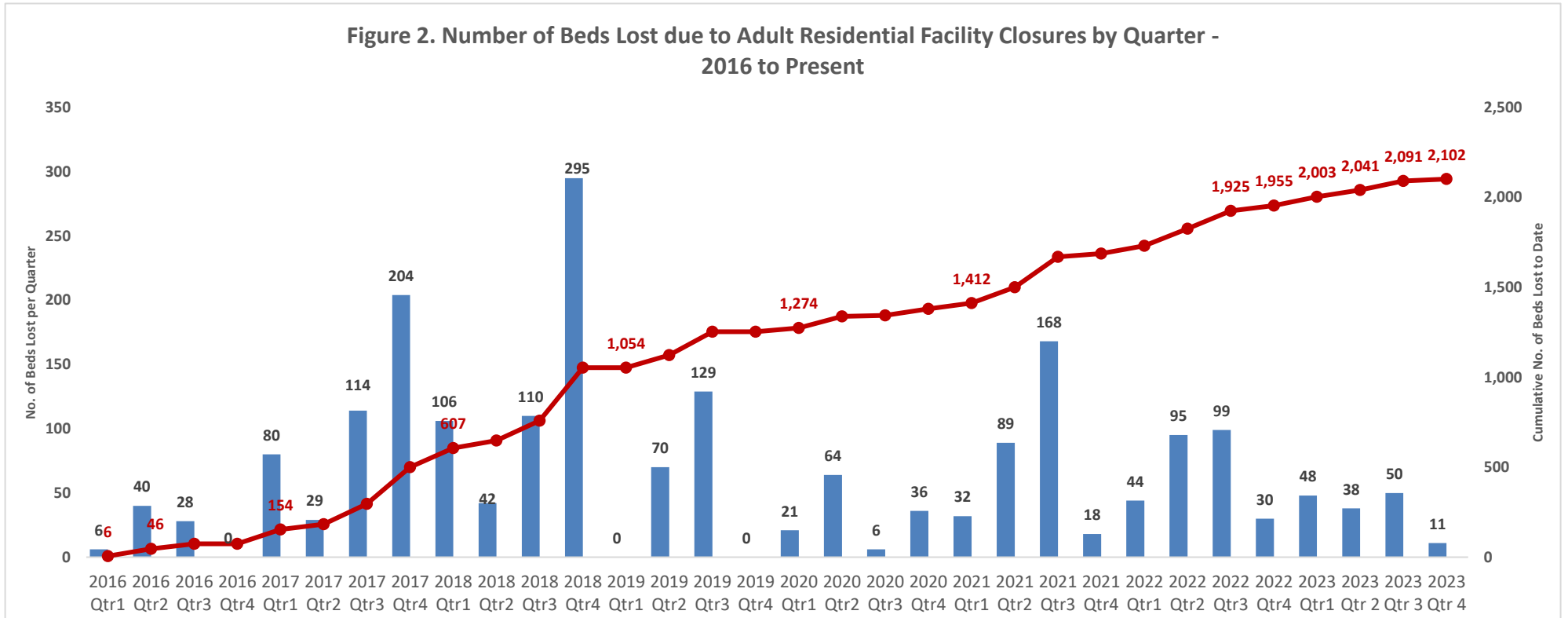


Table 3: ARF Closures by Facility Size 2016 – Present

Adult Residential Facility Closures by Facility Size - 2016 to Present		
Facility Size	Number of Closures	% of Total Closures
<=6	115	74.2%
7-19	17	11.0%
20-49	13	8.4%
>=50	10	6.5%
Total	155	100.0%



DEPARTMENT OF MENTAL HEALTH

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LISA H. WONG, Psy.D.
Director

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Chief Medical Officer

Rimmi Hundal, M.A.
Chief Deputy Director

January 17, 2025

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

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

SUBJECT: **ADDRESSING THE ONGOING BOARD AND CARE CRISIS
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- 1) Implementation of the State Community Care Expansion (CCE) Program, which provides funding for the acquisition, construction, rehabilitation, and preservation of adult and senior care Facilities among other housing types, and the CCE Preservation Program, which provides funding to County behavioral health departments for capital projects and operating subsidies for existing Facilities.
- 2) Efforts by the Department of Public Health - Substance Abuse Prevention and Control (DPH-SAPC) to increase substance use disorder (SUD) services at Facilities;
- 3) New projects and opportunities that will increase licensed residential care facility capacity for clients with Serious Mental Illness (SMI), as well as those with co-occurring SUDs, including progress on the Crocker Campus project and additional funding requested through the Behavioral Health Bridge Housing (BHBH) Program; and

- 4) Recent facility closures and their impact on overall system capacity.

1. CCE Program

The CCE Program was established through Assembly Bill (AB) 172 and provides \$805 million in funding statewide that can be used for the acquisition, construction, rehabilitation, and preservation of adult and senior care Facilities that serve recipients of Supplemental Security Income (SSI), State Supplementary Payment (SSP) or Cash Assistance Program for Immigrants (CAPI) funding, adults with disabilities, and people experiencing homelessness. The State's CCE Program is comprised of two subprograms, the CCE Expansion Program and the CCE Preservation Program.

The CCE Expansion Program is being directly administered by the California Department of Social Services (CDSS) and focuses on expanding the number of beds available for the target population through acquisition and construction projects. Of the total CCE Program funding, 75 percent has been dedicated for the CCE Expansion Program and was distributed through a competitive application process statewide that closed on June 1, 2023. The CCE Preservation Program is the second subprogram, which is supported by the remaining 25 percent of CCE funds. The CCE Preservation Program contains two program components that are intended to preserve the existing number of beds: Capital Projects (CP) and Operating Subsidy Payment (OSP). The Department of Mental Health (DMH) Enriched Residential Care (ERC) Program is administering both components of the program and through a Memorandum of Understanding (MOU) that was executed in April 2024 has partnered with the Los Angeles County Development Authority (LACDA) to administer the CP program funding and provide construction oversight to the projects.

CCE Expansion Program

As previously reported, DMH worked with CDSS to ensure that there were enough applications from eligible applicants to expend the full \$135,281,766 in CCE Expansion Program funding set aside for the County. CCE Expansion applicants were offered the opportunity to enter into a Partnership Agreement (PA) with the County, which indicates to the State that the County is in support of the project and with the County's support, the State can lower the applicant's match requirement to ten percent. The County will benefit from the PA as the partnering entity will be required to notify the County when any new beds, developed using CCE Expansion Program funding, become available so that the County can fill those beds with eligible clients.

To date, the State has made 12 CCE Expansion awards for a total of \$142.51 million to fund projects in the County that include new or existing Facilities and other allowable housing types such as Permanent Supportive Housing. This amount was recently updated on the State's CCE dashboard and differs from the last reported totals of 11 projects for a total of \$142.56 million. DMH is following up with the CCE State administration unit to provide

additional information on this change. The new updated total awarded figures still exceeded the anticipated County allocation of \$135 million as CDSS was able to use additional state funds to award more funding to applicants. Of the total \$142.51 million, \$96.4 million of the funds were awarded to six Facilities that have proposed to expand by an additional 548 beds. Table 1 below shows the licensed residential care facilities that were awarded CCE Expansion Program funds and includes those with executed PAs. DMH will continue to engage CDSS and these awardees on the status of when projects will become available.

Table 1: CCE Expansion Awards

Organization Name	Project Title	Entity Type	Project Type	Funding Awarded	CCE Funded Beds/Units	PA Executed	Service Planning Area	Supervisory District
Above and Beyond Care Providers, LLC	Anew Dawn Adult Living	For Profit and/or Private Organization	ARF	\$10,416,696	94	Yes	4	1
Agapao Fellowship	Project Agapao	Non-Profit	ARF	\$20,717,623	120	Yes	5	3
Gateways Hospital and Mental Health Center	Gateways Hoover ARF Expansion	Non-Profit	ARF	\$38,335,670	125	Yes	4	1
Illumination Foundation	Whittier Recuperative Care	Non-Profit	RCFE	\$16,197,745	85	No	7	4
JWCH Institute, Inc.	Wesley Azusa Housing Project	Non-Profit	ARF	\$8,668,385	96	Yes	3	1
Progressive Care, Inc.	Progressive Care Expansion Whittier	For Profit and/or Private Organization	ARF	\$2,140,607	28	No	7	4
Total				\$96,476,726	548			

CCE Preservation Program

This funding was provided to counties for the rehabilitation and preservation of existing Facilities. As previously reported, a CCE Preservation Program Notice of Funding Availability was released in June 2022, and DMH accepted the funding for both CCE CP and OSP programs on behalf of the County in the amount of \$55,560,974 and \$41,988,170, respectively.

In August 2024, 25 licensed residential care facilities were notified regarding their conditional approval for CCE Preservation – Capital Projects, of which 11 were smaller-sized facilities (six beds or less). However, one of the six-bed facilities was determined ineligible as they did not meet the grant eligibility condition of being in good standing with the Community Care Licensing Division (CCLD) and the facility's conditional award was rescinded. This resulted in 24 facilities applying for CCE CP. Capital improvements are underway and being phased in, first focusing on fire, life, and safety upgrades with construction on new roofs, HVAC, and windows and moving on to additional phases. The County required Facilities accepting CP

funds to deed restrict their property for a period of five years from the completion of the capital project funded through CCE to protect the County's investments in these capital improvements. To date, LACDA has executed a total of seven grant agreements/deed restrictions with improvements in progress at three facilities.

DMH has also prepared for the implementation of the CCE-OSP program. CCE-OSP funds are intended to provide operating subsidies to existing Facilities to cover potential or projected operating deficits and help avoid closure. Prior to the Fiscal Year (FY) 2024-25 May Revision to the Governor's Budget (May Revise), Facilities receiving OSP funds were required to have a deed restriction to ensure the property would continue to be used to provide licensed adult and senior residential care for at least the length of time that the County would be providing funds. DMH voiced its concerns to CDSS about this requirement creating a significant barrier for operators to access the CCE-OSP funds and, fortunately, the May Revise included language in a trailer bill that allowed more flexibility to include deed restrictions or, alternatively, legally binding agreements. DMH believes that the adoption of this language removes a significant barrier to the implementation of the CCE-OSP program.

To administer CCE-OSP funds, DMH is leveraging Department of Health Services' (DHS) contract with Brilliant Corners. These subsidy funds will be allocated through DMH's ERC Program, providing enhanced rate payments to qualifying facilities for newly eligible DMH ERC clients. These subsidies are in addition to any monthly rent payments or personal and incidental funds received by the client. DMH opened an online application for CCE-OSP on August 1, 2024, and closed it on August 30, 2024. In September 2024, the DMH CCE team conducted eligibility review for 169 applicants which included site visits at eligible applicants' facilities. In November 2024, DMH notified 88 facilities of their CCE-OSP eligibility, which included 39 new partnering Facilities. DMH anticipates that Brilliant Corners will be able to enter into agreements with all eligible CCE-OSP facilities by the end of January 2025.

2. DPH-SAPC SUD Services

DPH-SAPC continues to expand SUD services at select Facilities including ARFs and RCFEs. Onsite SUD services include Field-Based Services (FBS) as well as Client Engagement and Navigation Services (CENS). CENS serves as a bridge until FBS are implemented and provides Facility residents with outreach, engagement, SUD information/education (individual and group sessions) and linkages to treatment.

Since the last update, DPH-SAPC has connected with nine (9) out of the nine (9) Facilities identified by DMH and/or DHS. DPH-SAPC has implemented FBS at seven (7) sites serving DMH and/or DHS clients: Wyngate Villa Gardens (Service Planning Area [SPA] 2) Lone Star Tujunga (SPA 2), Pasadena Adult Living (SPA 3), Alvarado Care Homes (SPA 4), Anew Dawn Adult Living (SPA 4), Lone Star Crenshaw (SPA 6), and Pico Rivera Gardens (SPA 7). DPH-SAPC has implemented CENS at the following two (2) sites: Golden Assisted Living (SPA 2) and Highland Manor (SPA 6). Golden Assisted Living declined FBS, but CENS

services are ongoing. DPH-SAPC is anticipating FBS services at Highland Manor to begin during the next reporting period.

DPH-SAPC continues to have monthly meetings with DHS and DMH, current and prospective SUD FBS treatment providers, and ARF/RCFE agencies to address existing challenges and provide support. During this reporting period, DHS and DMH identified 10 additional Facility locations that would benefit from SUD services (see locations below).

SPA	Facility Name
2	Sunland Manor
2	Topanga West Guest Home
3	Highland Park Guest Home
4	Villa Stanley
4	Silverlake ARF
4	Alta Vista Gardens
5	Beverly Hills Senior Care
7	Bells Gardens Manor
8	Heritage #1
8	Sunnyside Residential

DPH-SAPC is in the process of identifying potential treatment providers at the 10 additional sites to provide onsite CENS and/or FBS services. DPH-SAPC will continue to provide support and address any challenges to existing and new Facilities.

3. New Opportunities

Crocker Campus

DMH and DHS continue to work collaboratively to develop the project-based ERC facility that will be located in the Skid Row area as part of the County's Crocker Campus Project. This facility, which will be licensed as an RCFE, is currently in the final stages of construction and is scheduled to be ready in early Spring 2025. Brilliant Corners executed an agreement with JWCH Institute, Inc., to operate the facility. Once the site work has been completed, JWCH Institute, Inc., will work with CCLD to obtain facility licensure, which will include a total of 48 beds for individuals who are ages 60 and over and directly referred by DMH or DHS. It is anticipated that this facility will open in early 2025.

Behavioral Health Bridge Housing

On April 10, 2024, DMH applied for Round 3 of the Behavioral Health Bridge Housing (BHBH) and received a conditional award on July 25, 2024, for a total of \$57 million in Round 3, consisting of \$43.5 million in operations funding and \$13.5 million in infrastructure funds. The operation funds will support the development of an estimated 180 new non-congregate Interim Housing (IH) beds. DMH also requested 120 Rental Assistance subsidies and Auxiliary Funds for Assisted Living Settings to subsidize up to 95 clients annually in highly enriched licensed residential care Facilities. As is required by BHBH, Housing Navigation will be provided to all BHBH participants. DMH is currently negotiating the amended and restated contract with Advocates for Human Potential (AHP), DHCS' third-party administrator, to add the Round 3 funding and requirements, and anticipates executing the agreement in January 2025.

DMH, in conjunction with Brilliant Corners, intends to release a Request for Applications to award funding for the BHBH funded highly enriched licensed residential setting beds, furthering the goals of preserving and ensuring the sustainability of Facilities in the County.

4. Facility Closures

Since the last report, DMH has received closure data from the CDSS CCLD for Quarters 1 and 2 of 2024. The closure data, which looks at the period between January and June 2024, reflects the closure of 13 ARFs for a loss of 121 beds and 17 RCFE closures for a loss of 214 beds. DMH did not have clients residing at any of the Facilities that closed; however, DHS had 45 clients at one of the closed ARF facilities, Royal Palm Crest. DHS ERC staff were made aware of the impending closure and worked closely with facility staff to relocate all of their clients prior to the closure date of May 24, 2024. Twenty-four of the clients were relocated to another Facility, and 16 of the clients went to Interim Housing. The five remaining DHS clients exited the DHS ERC program to enter residential treatment or live with friends and family. While no longer a licensed residential facility, Royal Palm Crest has transitioned to become an Interim Housing site for clients referred from the Office of Diversion and Reentry.

The tables in Attachment I provide updated details around the closures, including names and locations of the closed Facilities and graphs showing ARF closure data from 2016 to present. As with previous reports, the largest percentage of closures continues to be among smaller Facilities with six or fewer beds. Most of the closed Facilities in this reporting period had six or fewer beds with the exception of one ARF facility that had 62 beds as well as one RCFE facility that had 15 beds and another that had 111 beds.

Next Steps

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

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through the initiatives outlined in this report. We are especially looking forward to seeing the progress made in the capital improvements of Facilities that have been awarded CCE-CP funds, along with the addition of new facilities that will be partnering with DMH and DHS as part of the CCE-OSP program. We are also looking forward to the opening of the new Crocker Campus RCFE in early 2025, which will provide a highly enriched residential care option for some of the County's most vulnerable residents in the Skid Row area. Along with expanding and upgrading facilities, DMH looks forward to continued partnership with DPH-SAPC to provide substance use treatment support in additional Facilities throughout the County. Finally, the additional Round 3 BHBH funds will expand our opportunity to develop more highly enriched services at Facilities in the County.

The next report update will be submitted on June 16, 2025. 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:CDD:MF:lm

Attachment

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

Table 1: ARF Closures Q1-Q2 2024

Adult Residential Facility (ARF) Closures January 2024 - June 2024							
Type	Name	Capacity	Address	City	Zip Code	SD	Closure Date
ARF	HENDERSON'S HOME CORP.	6	10600 S. GRAMERCY PLACE	LOS ANGELES	90047	2	3/12/2024
ARF	WITHERS ADULT RESIDENTIAL CARE HOME	6	17419 LYSANDER DRIVE	CARSON	90746	2	2/20/2024
ARF	GRAYVILLE	6	16114 GRAYVILLE DR	LA MIRADA	90638	4	2/19/2024
ARF	PAPILLON VILLAGE	6	2063 28TH STREET	LOS ANGELES	90018	2	1/31/2024
ARF	SAENZ ADULT RESIDENTIAL FACILITY	1	16845 S. HOOVER STREET	GARDENA	90247	2	1/4/2024
ARF	MORNINGSIDE RESIDENTIAL	4	1318 WEST POINDEXTER ST	LOS ANGELES	90044	2	6/3/2024
ARF	ROYAL PALM CREST	62	1665 W. ADAMS BLVD	LOS ANGELES	90007	2	5/24/2024
ARF	PIGGEE GUEST HOME	6	1218 S. HAYWORTH	LOS ANGELES	90035	2	5/1/2024
ARF	RISING SUN RESIDENTIAL HOME LLC	6	2021 W 65TH PL	LOS ANGELES	90047	2	4/29/2024
ARF	MYRA'S GOLDEN HEART HOME	6	3150 PADDY LANE	BALDWIN PARK	91706	2	4/19/2024
ARF	ANNIE'S ADULT RESIDENTIAL FACILITY	4	1206 WEST 130TH STREET	COMPTON	90222	2	4/18/2024
ARF	ROCK ADULT RESIDENTIAL FACILITY	2	5242 MARBURN AVE	LOS ANGELES	90043	2	4/8/2024
ARF	BESTFRIENDS1 LLC	6	1262 W 87TH STREET	LOS ANGELES	90044	2	4/8/2024

Table 2: RCFE Closures Q1-Q2 2024

Residential Care Facility for the Elderly (RCFE) Closures January 2024 - June 2024							
Type	Name	Capacity	Address	City	Zip Code	SD	Closure Date
RCFE	STONEGATE GUEST HOME	6	1170 CHISOLM TRAIL DR.	DIAMOND BAR	91765	1	3/5/2024
RCFE	SUMMERWIND MANOR VII	6	1308 ELM AVENUE	TORRANCE	90503	2	3/27/2024
RCFE	CARTER PLACE, THE	6	400 W. CARTER AVE.	SIERRA MADRE	91024	5	2/15/2024
RCFE	GRACE FAMILY HOMES	15	18831 TOPHAM ST	TARZANA	91335	3	2/9/2024
RCFE	BELLA ROSA PLACE, LLC.	6	23275 SYLVAN ST	WOODLAND HILLS	91367	3	2/8/2024
RCFE	QUORA CARE	6	22806 CALIFA STREET	WOODLAND HILLS	91367	3	2/8/2024
RCFE	GLENDALE CAREHOME	6	714 MILFORD STREET	GLENDALE	91203	5	1/25/2024
RCFE	HAYWORTH TERRACE	111	325 N HAYWORTH AVE	LOS ANGELES	90048	3	1/8/2024
RCFE	JAGS RESIDENTIAL CARE FACILITY FOR THE ELDERLY	6	1387 EAST 110TH STREET	LOS ANGELES	90059	2	1/5/2024
RCFE	PORTER RANCH ALOHA II	6	20022 VINTAGE ST	CHATSWORTH	91311	3	1/5/2024
RCFE	PORTER RANCH ALOHA III	6	19911 VINTAGE STREET	CHATSWORTH	91311	3	1/5/2024
RCFE	BRIANA'S VILLA, INC.	6	6106 S. LA BREA AVENUE	LOS ANGELES	90056	2	6/13/2024
RCFE	BLESSED SENIOR LIVING CARE LLC	6	3244 ASHTON PLACE	LANCASTER	93536	5	6/11/2024
RCFE	ADAY LLC	4	9000 CRENSHAW BLVD	INGLEWOOD	90305	2	5/4/2024
RCFE	HOME FOR THE ELDERLY	6	19825 LEADWELL ST.	CANOGA PARK	91306	3	4/18/2024
RCFE	BHAVATHI LLC	6	784 POMELLO DRIVE	CLAREMONT	91711	5	4/18/2024
RCFE	A'MORECARE HOME ASSISTED LIVING	6	23511 BERDON STREET	WOODLAND HILLS	91367	3	4/11/2024

Figure 1: Total ARF Closures 2016 – Present

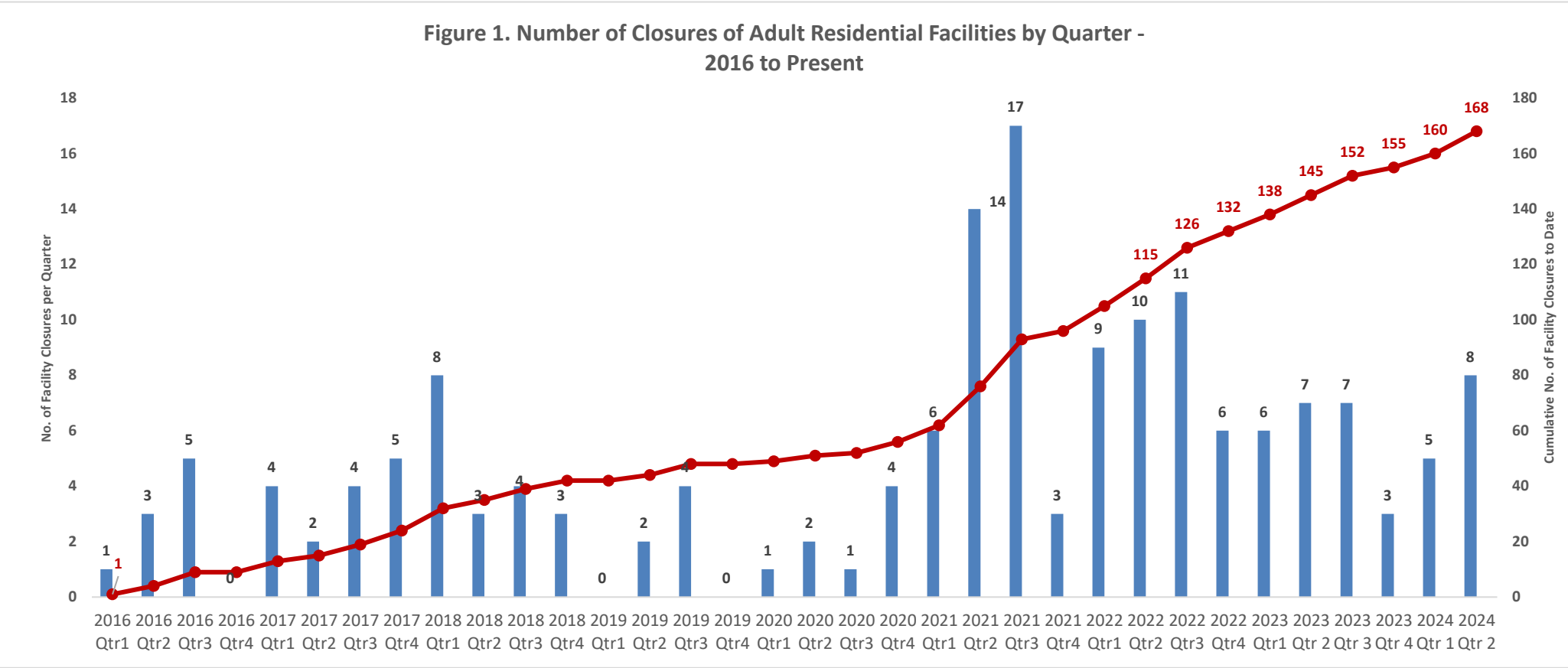


Figure 2: Total ARF Beds Lost 2016 – Present

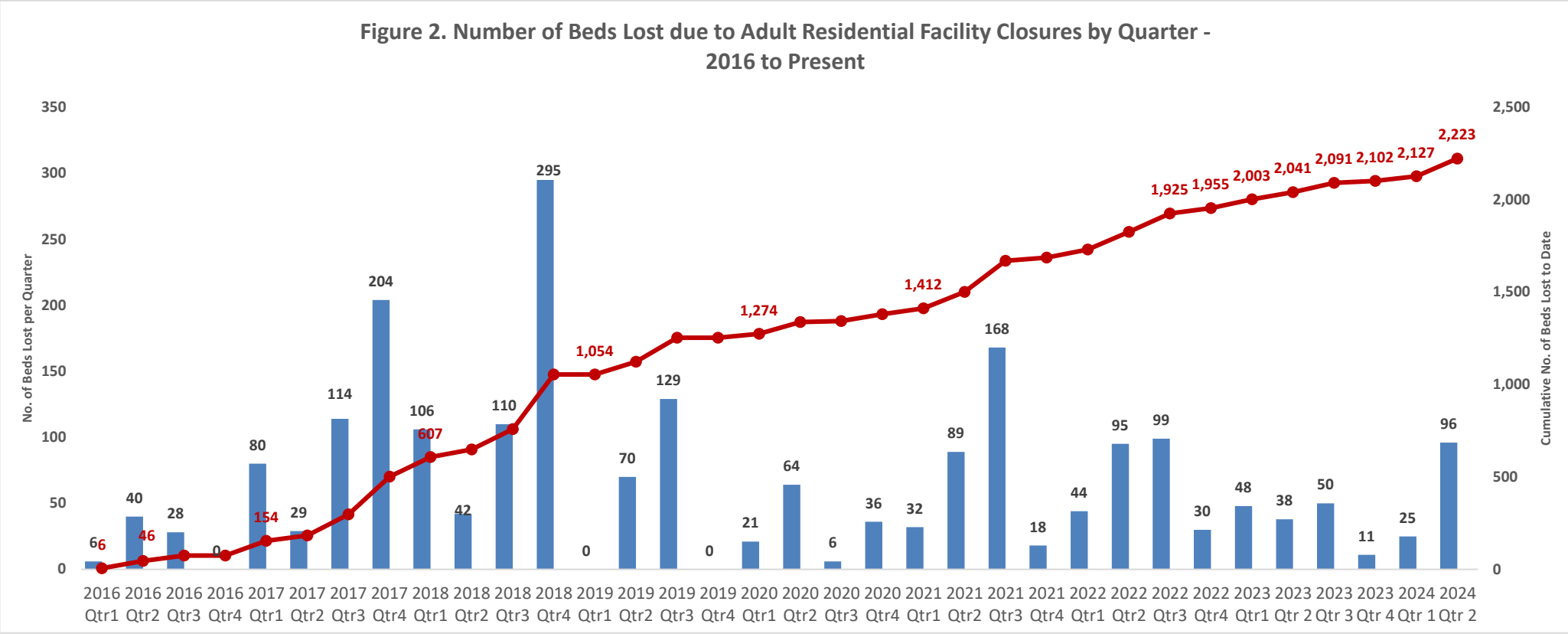


Table 3: ARF Closures by Facility Size 2016 – Present

Adult Residential Facility Closures by Facility Size - 2016 to Present		
Facility Size	Number of Closures	% of Total Closures
<=6	127	75.6%
>=50	11	6.5%
20-49	13	7.7%
7-19	17	10.1%
Total	168	100.0%