



# LICENSED RESIDENTIAL FACILITY UPDATE

# What is a Licensed Residential Facility?

- Licensed Residential Facilities also known as Board and Care or Assisted Living Facilities are residential placements licensed through Community Care Licensing Division that provide residents with
  - *24/7 non medical care and supervision*
  - *3 meals per day plus snacks*
  - *Assistance with Activities of Daily Living (ADLs)*
  - *Medication Management services*
- Includes both
  - *Adult Residential Facilities (ARFs) which serve ages 18-59*
  - *Residential Care Facilities for the Elderly (RCFEs) which serve ages 60+ (as also known as Assisted Living Facilities)*

# Where We Started

- Mental Health Commission Call to Action: The Precarious State of the Board and Care System Serving Residents Living with Mental Illness in Los Angeles County (January 2018)
  - *Identified concerns about ARF closures*
  - *Called for solutions from the County to address the growing concern*
- Board Motion issued by Supervisors Janice Hahn and Sheila Kuehl on September 11, 2018
  - *Addresses the importance of Adult Residential Facilities (ARFs) for clients with Serious Mental Illness*
  - *Identifies concern related to the number of these facilities closing across the county*
  - *Requested report back with specific strategies*

# Factors Leading to ARF Closures and the Loss of a Valuable Housing Resource

- Low reimbursement rate for SSI recipients and impact on ARFs
  - *Facilities receive \$1,058/ month or \$35/day from residents on SSI*
  - *Facilities must provide 24/7 non-medical care and supervision, 3 meals per day, assistance with ADLs*
- ARFs are struggling to stay in business due to increasing labor costs, land values and operating costs
- Many ARFs have closed.
  - *Since January of 2016 to present 45 facilities have closed with a total loss of 1,226 beds*
- The closure of ARFs directly leads to an increase of vulnerable individuals potentially becoming homeless

# The Stakeholder Process

To better understand the nature of the crisis and the needs of ARFs and RCFEs across the County, DMH along with DHS worked with consultant to engage in a robust stakeholder process

- Engaged over 200 stakeholders including operators, mental health providers, residents, family members, advocates and others
  - *Conducted 50 1:1 interviews*
  - *Held small group input sessions across the county*
  - *Convened a stakeholder summit of nearly 100 participants on May 8, 2019*
- Developed a comprehensive 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”

# Stakeholder Report - 6 Imperatives

## 1. Operator Financial Sustainability

- *Highlight the need to increase the operating funding for ARFs/RCFEs through all available sources*
- *Expand existing County programs to provide funding to greater number of clients*
- *Expand other sources of operating funding available for facilities serving low income residents*
- *Identify financial resources for capital improvements*

## 2. Resident Quality of Life

- *Identify onsite resources, activities, services, etc., aimed at improving the quality of life for residents*
- *Improve conditions within ARFs and RCFEs through tenant improvements to improve overall resident quality of life*

## 3. System Capacity

- *Preserve existing bed capacity by exploring ways to prevent further closures*

# Stakeholder Report

## 4. Operator Effectiveness

- *Create and sustain an operator member association for facilities serving low-income individuals*
- *Implement real-time bed tracking system*

## 5. Integrated County Services

- *Provide integrated services on-site including case management, mental health, and substance use*
- *Leverage County systems to provide relevant training, technical assistance, and other capacity building activities for ARF staff*

## 6. State and Federal Policy Advocacy

- *Advocate at state and federal level for increased funding and for regulations to support strong ARF/RCFE networks*

# Work to Support ARFs and RCFEs

- DMH has implemented an Enriched Residential Care Program, in alignment with a similar program at DHS Housing for Health
  - *Invested \$12 million to implement ERC Program*
  - *Program provides an Enhanced Services Rate for around 600 participants, residing in 93 ARFs/RCFEs Countywide*
  - *Program funds the full rate of stay, including SSI Rate and Enhanced Services Rate for about 155 individuals in ARFs and RCFEs*
  - *DMH has leveraged Whole Person Care Funding to provide Enhanced Services Rates for an initial 200 clients across the County*



# Work to Support ARFs and RCFEs (cont.)

- DHS Housing for Health Enriched Residential Care Program
  - *Continues to serve around 1,200 clients in ARFs and RCFEs Countywide*
- Strengthening relationship with Community Care Licensing (CCL) to improve coordination and problem solving around potential closures and other client and family member concerns
  - *DMH is working with CCL to update an existing MOU between the two entities to operationalize who we will work together*
- DPH- SAPC developing a pilot to provide onsite substance abuse support to ARF residents

# Legislation

- California Behavioral Health Directors Association (CBHDA) spearheaded a budget proposal asking Governor Newsom for \$500 million one-time funding from state general fund to stabilize and prevent further loss of Board and Care facilities
  - *This request was for one-time funding from the State General Fund while a longer term solution is identified*
  - *When the State Budget is released in January we will know whether this is included*
- LAHSA sent a letter to the governor acknowledging the Board and Care crisis and urging him to “work with the County of Los Angeles, and all of the County health agencies statewide, to create a funding environment that supports the long-term health and increase of this vital resource”
- City of Los Angeles has drafted a resolution for its 2019-2020 State Legislative Program to sponsor and support any legislation or administrative action which would increase the State payment rate for licensed board and care facilities which serve vulnerable communities, especially seniors with mental health issues

# Next Steps

- Following the release of the Stakeholder Report, the Board of Supervisor passed another motion on November 12, 2019 further directing DMH along with the CEO and DHS to find solutions to this crisis
- In response, DMH has identified \$11.7 million of one-time MHSA funding to be used for:
  - *\$11.2 for implementation of a capital improvements grant program which will allow facilities to access funding to make necessary repairs and tenant improvements*
    - Addressing deferred maintenance is key to improving conditions within facilities and improving overall quality of life for residents
  - *\$500,000 to seed a membership organization for ARF/RCFE operators who provide services to residents with SSI income*
  - *Unspecified amount for creation of a bed tracking system to identify vacant ARF/RCFE beds. This will leverage an existing County bed tracking system and therefore may not require funding*
- Stakeholder meeting on February 18, 2020