

CBHDA and Steinberg Institute Board and Care Ask

Problem:

There is a critical lack of housing in California, particularly for its most vulnerable low-income adults most at-risk of homelessness: older adults, persons with disabilities, and persons with serious mental illness (SMI). With the rapidly growing aging population and continually rising housing costs, the homeless population is expected to grow, and a larger number of the homeless population are expected to be disabled and elderly. Even more alarming, California has lost hundreds of Board and Care homes in recent years that are specifically set up to serve these very populations.

Licensed Board and Care facilities, including Adult Residential Facilities (ARFs) and Residential Care Facilities for the Elderly (RCFEs), have long served as an important housing option for individuals with serious mental illness, disabled and aging populations, preventing homelessness and health deterioration, by providing these vulnerable populations with a safe residence when other housing options are not possible or appropriate. These facilities provide critical care and supervision to individuals who cannot live independently and have no options.

In recent years, the number of these facilities has declined at an alarming rate largely due to inadequate funding and rising housing costs in the state. Los Angeles County lost 39 facilities with 949 beds since January 2016. Napa has reported that between 2015 and 2019, there was a 20% reduction in RCFEs. Since 2012, San Francisco has lost more than a third of licensed residential facilities that serve people under 60¹. This is consistent with what other counties report anecdotally up and down the state.

The few remaining Board and Care facilities also face rapidly increasing operating costs combined with a low reimbursement rate (\$35/day) and high regulatory burdens and are unable to afford needed repairs to maintain facilities. Once a Board and Care closes, it is nearly impossible to reopen or replace that facility. Without these facilities, the growing aging population and others who are homeless or at-risk for homelessness will likely find themselves with no other options but to live on the streets or in more expensive levels of care such as nursing homes and hospitals.

Solution:

One-Time rate enhancement. Investment of \$500 million SGF on a one-time basis to stabilize and prevent the loss of additional Board and Care facilities and begin to rebuild supply.

Regulation Changes. A closer look at current regulations is needed to ensure that licensing requirements are not hindering services to vulnerable populations or creating barriers to Board and Care operators in opening and maintaining facilities. We propose to work with the CDSS Licensing Division on reviewing and assessing existing regulatory barriers to develop a list of recommended waivable regulations as part of this emergency response effort.

Exploration of Federal Waiver Opportunities. This would be accomplished through a CDSS-led working group, in collaboration with the Departments of Aging and Health Care Services, to establish a tiered-rates structure similar to that provided through the developmental services programs operated by Regional Centers. This workgroup should consider other promising state models such as the use of Home and Community Based Services waivers to leverage federal Medicaid funding as done in other states.

Proposal Contact:

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¹ <https://www.sfchronicle.com/bayarea/article/SF-board-and-care-homes-for-seriously-mentally-13766754.php#>