



California Association of Local Behavioral Health Boards and Commissions

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ISSUE BRIEF: Adult Residential Facilities

ADULT RESIDENTIAL FACILITIES (ARFs) – The critical need for “Board and Care” facilities.

Adult Residential Facilities (ARFs) are a critical component of California’s housing continuum. Lack of ARFs (and RCFEs) impacts individuals, families and local communities. **The social and financial cost is high** as adults with severe mental illness enter revolving doors between crisis facilities, psychiatric facilities, emergency rooms, homelessness and incarceration. Local budgets are impacted due to crisis management, expensive placements and incarcerations when the appropriate placement would be an ARF with service offerings for adults with severe mental illness.

What is an ARF?

Names and acronyms include:

- ARF: Adult Residential Facilities
- RCFE: Residential Care Facility for the Elderly
- Board & Care (often called “Enhanced” or “Augmented” Board & Care)
- Assisted Living

ARFs are licensed to provide care and services sufficient to support needs resulting from an inability to perform Activities of Daily Living or Severe Cognitive Impairment. ARFs provide services that allow people to maintain independence and receive individualized care in a home-like environment, to include:

1. 24 Hour Care
2. Trained Staff
3. Three meals/day (must accommodate special dietary needs)
4. Access to a physician/nurse in case of emergency
5. Assistance with managing medications

Three Key Challenges

1. **Financial:** ARFs cannot survive on a small scale without substantial subsidies. On a larger scale (45+ beds), a supplemental rate (known as ‘patches’) from counties ranging from \$64/day to \$125/day is required for fiscal stability.¹
2. **Staffing:** Providing and retaining a professional, trained and experienced staff requires proper management, appropriate salaries and ongoing training.
3. **“Not In My Backyard” (NIMBY)** opposition from communities for new construction or attempts to rezone a property for ARF (required for more than 6 beds).



Costly Consequences

- Psychiatric hospitals/facilities range from \$350 - \$775/day.
- Prison costs appr. \$222/day²
- County jail costs appr. \$155+ per day vera.org/downloads/publications/price-of-jail.pdf³
- Transitional Programs cost appr. \$150/day per resident.

CALBHBC supports the work of California’s 59 local mental/behavioral health boards and commissions by providing resources, communication and statewide advocacy.

Hundreds of Beds Lost

California counties responding to the [2019 CA Behavioral Health Planning Council survey](#) ⁴ [approximately 1/3rd of CA's counties] estimated that their need for ARF beds for individuals with serious mental illness exceeds 1,517 persons.

Among 22 counties reporting to a 2016 CA Behavioral Health Planning Council survey, 907 beds were needed, with 783 beds lost in the last 10 years. Respondents represented 1/3rd of the state.⁵

CBHPC ARF Issue Paper:
www.dhcs.ca.gov/services/MH/Pages/CBHPC-Reports.aspx

Addressing Funding

Current ARF funding for adults with severe mental illness is limited to the SSI rate, approximately \$1069 per month. Some counties bolster this rate, providing “patches” to large-scale ARFs, often located hours away from the consumer’s community. These patches range from \$64/day to \$125/day.⁶

It is worth examining a different funding model, such as the one for adults with developmental disabilities. This model provides **several tiers of funding based on the needs of the consumer**. Funding ranges from \$1,069 to \$9,288 per month per consumer, allowing for community-based, appropriately staffed ARFs. Dept of Dev. Services Community Care Facility rates: https://www.dds.ca.gov/wp-content/uploads/2021/12/CCF_Rates_January_2022.pdf

A Call for Immediate and Long-Term Solutions

It is in the best interest of adults with mental illness, and in the best financial interest of the State of California to increase access to appropriate community-based, long-term residential options that include the necessary supports to address mental illness and other co-occurring physical health conditions. **ARFs (and RCFEs) are a critical component of this housing continuum.** Solutions must be both immediate and long-term:

- 1) Immediate—Funding to prevent closures and increase offerings
- 2) Long-Term—Address key challenges:
 - **Financial:** Changes to current licensing structure to accommodate a tiered level of care system
 - **Staff Support:** Technical assistance, training and support for staff and owners to: a) Successfully work with this complex population; b) Maintain fiscal stability; c) Sustain licensing.
 - **NIMBY:** Advocacy toolkit to increase understanding of mental illness and the effective use of ARFs/RCFEs in order to overcome NIMBY (Not in My Backyard) opposition.

New Legislation

Data: [AB 1766](#) requires data collection and reporting for ARFs and RCFEs that serve individuals with severe mental illness, including reporting of anticipated closures.

Closures & Purchase: [AB 2377](#) requires notification of ARF and RCFE (Board and Care) proposed closures, and gives the city or county the first opportunity to make an offer to purchase the property and continue operation.

New Funding

Community Care Expansion Program will fund the acquisition, construction and rehabilitation of adult and senior care facilities. Requires a match. [Dept of Social Services – CCE](#)

Project Homekey: Local entities will partner with the state to acquire and rehabilitate a variety of housing types, to include residential care facilities. homekey.hcd.ca.gov

End Notes:

1. ARFs that provide residential care to adults with mental illness survive at a larger scale (45+ beds), with “patches” provided by counties. Psynergy Programs, Inc. and Davis Guest Home offer examples of companies that operate RCFs with a financial model that works due to “patches” paid by counties (added to resident’s SSI). Even with the additional revenue, this financial model requires a minimum of 45 residents. These are considered “Enhanced” or “Augmented Board & Cares” as they provide needed supports to the residents, including team leaders, activities, dietary staff, access to a psychiatrist and more. Psynergy additionally provides: Medication Support, Mental Health Services, Crisis Intervention, Case Management and Collateral (all Medi-Cal billable.)
2. CA Legislative Analyst’s Office: http://www.lao.ca.gov/PolicyAreas/CJ/6_cj_inmatecost
3. [The Price of Jails: Measuring the Taxpayer Cost of Local Incarceration \(Page 26, Vera Institute of Justice.\)](#)
4. [2019 CA Behavioral Health Planning Council Data Notebook, page 9.](#)
5. [2018 CA Behavioral Health Planning Council ARF Issue Paper: www.dhcs.ca.gov/services/MH/Pages/CBHPC-Reports.aspx](http://www.dhcs.ca.gov/services/MH/Pages/CBHPC-Reports.aspx)
6. Rates found on-line from 2016-17 [San Luis Obispo County Contracts with Psynergy Programs, Inc \(page 9\)](#) and [Davis Guest Home \(page 6\)](#).