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County of Santa Cruz

HEALTH SERVICES AGENCY

1080 EMELINE AVENUE SANTA CRUZ, CA 95060

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AGENDA: June 6, 2000

May 23, 2000

Board of Supervisors
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

Subject: Long Term Care Integration Pilot Project (LTCIP) Report

Dear Members of the Board:

Background:

In March of last year, your Board approved an application for the Health Services Agency to apply for a State Department of Health Services planning grant for Long Term Care Integration. In June, we received the planning grant and initiated a planning process that has involved over eighty members of the Santa Cruz Community, including recipients and providers of long term care services.

As you may recall, long-term care is the sum of health, social, housing, transportation and other supportive services needed by people in our community with physical, mental, or cognitive limitations sufficient to compromise independent living. The current array of long term care services is complex and confusing. Most funding streams are also categorical. Therefore, community members often have difficulty accessing services. Senior citizens and adults with disabilities are most often impacted by the lack of integrated long-term care services. Individuals needing long-term care are often frail, have chronic diseases, or cognitive impairments.

1994 2000 Planning Process:

The LTCIP planning process was comprised of five committees that worked throughout the past year. The committees included: Service Design, Governance, Finance, the Steering Committee and the large Task Force. In addition, project staff conducted interviews with consumers, family members and service providers. The relevant County commissions, including the Commission on Disabilities, the Long Term Care interagency Commission, the Senior's Commission, and the HIV Services Consortium were regularly consulted and updated on the project's progress. The planning process has focused on gathering broad community input. The primary focus of the first year has been on services and quality of care issues.

1999-2000 Planning Project-Summary Findings:

The 1999-2000 planning project revealed several needs of County residents related to long-term care, including:

- There is a great need for community education to increase preparation for the aging population, prevention of health deterioration, and health promotion.
- More comprehensive caregiver support, including respite, is greatly needed to enhance the health of both caregivers and consumers. Even the best family caregivers can become exhausted by the multiple demands caregiving creates. This is particularly true for caregivers of family members with Alzheimer's disease.
- A single point of entry, including standardized assessments, care management, and benefits advocacy, would make accessing services much easier for consumers. Currently, individual consumers and their families are forced to go from place to place in an attempt to piece together care.
- Consumers prefer to live independently in their own homes as long as possible. Therefore, a broad array of home and community based options must continue to be supported and developed.
- Several service gaps exist geographically in the County. For example, there is a great need to develop an Adult Day Health Care facility in Watsonville.
- For those consumers who can't remain independently in their homes, a variety of Supported Housing options is needed. The availability of residential care, particularly for those with only Social Security Income, is shrinking.
- Continuing improvements of quality of care are needed in Skilled Nursing Facilities. Enhanced Skilled Nursing, including levels of care, and specialization, is needed to ensure that all members of our community are provided with highest possible quality of life. For example, secure facilities for persons who wander are needed. In addition, beds for persons with ventilators are needed.
- There is also a need for existing acute care facilities to work in closer coordination with the care continuum. Currently, consumers can feel stranded without proper supports after discharge from the hospital.

Legislative Initiatives:

As noted above, the community has identified providing more supported housing options for senior citizens and persons with disabilities as an important priority. As detailed in HSA's October 1999 Housing Report, the availability of Residential Care is eroding in the community. The combination of housing costs and the fixed rates set for residential care by the State have resulted in facilities closing or moving exclusively to private pay patients (\$2000-3000 per month). There are two bills pending at the State that would address these concerns. Below is a brief summary of each bill:

SB 353: Current Medi-Cal regulations do not allow Medi-Cal to reimburse Residential Care Facilities. The result of this regulation is that many individuals are forced into Skilled Nursing care because it is the only option that Medi-Cal can provide. Clearly, individuals are being forced into higher levels of care than they need or prefer. SB 353 would require that the Department of Health Services submit a waiver request to the federal government to obtain coverage under the Medi-Cal program of services provided in residential care facilities.

AB 499: Assisted Living is a supported housing option that allows an individual to live in their own apartment while benefiting from various supports, including meals, social activities, personal care, and domestic help. Currently, the costs prohibit anyone but the wealthiest individuals from taking advantage of this option. This bill would require the Department of Health Services to develop a demonstration project to test the efficacy of providing an assisted living benefit to low-income beneficiaries under the Medi-Cal program.

Planning Efforts for 2000-2001:

While the community planning process has identified several critical needs, significant work remains before major system reform proceeds. With this in mind, the project applied for and received a 2nd planning grant to complete the planning process in the next year. The funds for the 2nd year grant are incorporated into the Health Service Agency's 2000-2001 Budget and Budget Supplemental. The State requires that we receive a Board Resolution accepting the grant and committing to its scope of work. Objectives for the next year's planning process include:

- Complete comprehensive analysis of the financial feasibility of such a project
- Increase efforts to improve coordination among existing long-term care providers
- Support efforts by local agencies to fill in gaps in the service continuum
- Advocate for necessary reform at State and Federal levels

Recommendations:

It is therefore recommended that your Board:

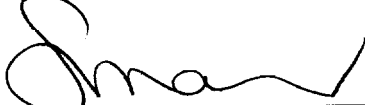
1. Adopt the attached resolution accepting the State Department of Health Services 2nd Year Planning Grant of \$50,000;
2. Direct the HSA Administrator to report back October 3, 2000, with a report on the service design and project update; and
3. Adopt the attached resolution supporting SB 353 (Johannessen) and AB 499 (Aroner), and direct the Clerk of the Board to forward them to State legislators.

Sincerely,



Rama Khalsa, Ph.D.
Health Services Administrator

RECOMMENDED:



Susan Mauriello
County Administrative Officer

cc: HSA Administration
Auditor-Controller
HRA Administration

CAO
County Counsel
LTC Steering Committee

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

0250

RESOLUTION NO. _____

On the motion of Supervisor
duly seconded by Supervisor
the following resolution is adopted.

**RESOLUTION ACCEPTING THE \$50,000 PLANNING GRANT FOR THE LONG TERM CARE
INTEGRATION PILOT PROJECT FROM THE STATE DEPARTMENT OF HEALTH SERVICES**

WHEREAS, the Board of Supervisors of Santa Cruz County supports the current planning process for Long Term Care Integration; and

WHEREAS, the Board of Supervisors of Santa Cruz County approved the grant application to complete the planning process, including the required 20% county match; and

WHEREAS, in April the Health Services Agency received the planning grant of \$50,000; and

WHEREAS, the Board of Supervisors commits to the scope of work outlined in the grant application.

Now, THEREFORE, BE IT RESOLVED AND ORDERED, that the Board of Supervisors are hereby authorizing the Health Services Administrator to sign and execute such a grant agreement and its attachment on behalf of Santa Cruz County.

PASSED AND ADOPTED, by the Board of Supervisors of the County of Santa Cruz, State of California, this 6th day of June 2000, by the following vote (requires four-fifths vote for approval):

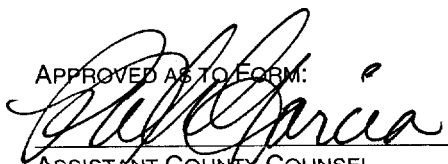
AYES: SUPERVISORS
NOES: SUPERVISORS
ABSTAIN: SUPERVISORS

CHAIR OF THE BOARD

ATTEST:

CLERK OF THE BOARD

APPROVED AS TO FORM:


ASSISTANT COUNTY COUNSEL

Distribution:

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cc: County Administrative Officer
Auditor-Controller
County Counsel
Health Services Agency Administration
State Department Of Health Services, Office of Long Term Care
Long Term Care Integration Pilot Project

**BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA**

RESOLUTION NO. _____

On the motion of Supervisor
duly seconded by Supervisor
the following resolution is adopted.

RESOLUTION SUPPORTING SB **353 (JOHANNESSEN)** COVERAGE OF RESIDENTIAL CARE
FACILITIES AS PART OF THE MEDI-CAL PROGRAM

WHEREAS, residential care is a desirable supported housing option that offers maximum independence for people in need of long-term care; and

WHEREAS, residential care has been shown to be a more desirable, less expensive alternative to Skilled Nursing facility placement; and

WHEREAS, Medi-Cal is currently unable to offer residential care as an option to its recipients, resulting in placement at unnecessarily higher levels of care; and

WHEREAS, it is important to create new supported housing options and to sustain currently available options for people in need of Long Term Care.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that the County Santa Cruz Board of Supervisors, is hereby recommending to state representatives that they take a support position on this state legislation because of it's potential positive impacts on housing opportunities for the County.

PASSED AND ADOPTED, by the Board of Supervisors of the County of Santa Cruz, State of California, this June 6th, 2000, by the following vote:


AYES:	SUPERVISORS
NOES:	SUPERVISORS
ABSTAIN:	SUPERVISORS

Chair of the Board

ATTEST:

CLERK OF THE BOARD

APPROVED AS TO FORM:



Assistant County Counsel

Distribution:

County Administrative Officer
Auditor-Controller
County Counsel
Health Services Agency Administration
Long Term Care Integration Pilot Project

AMENDED IN ASSEMBLY AUGUST 16, 1999

AMENDED IN SENATE APRIL 21, 1999

0252

SENATE BILL**No. 353**

Introduced by Senator **Johannessen**
(Coauthors: Senators **Bowen, McPherson, and Morrow**)
(Coauthors: Assembly **Members** Bates, Leach, Longville,
Margett, Oller, and Pescetti) **Pescetti, and Zettel**)

February 10, 1999

An act to add Section 14132.18 to the Welfare and Institutions Code, relating to health, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 353, as amended, **Johannessen. Medi-Cal: residential care facility services.**

Existing law provides for the Medi-Cal program, administered by the State Department of Health Services, under which qualified low-income persons are provided with health care services.

Under existing law, one of the benefits covered under the Medi-Cal program is for services provided in long-term health care facilities.

This bill would require the department to submit a waiver request to the federal government to obtain coverage under the Medi-Cal program of services provided in residential care facilities.

The bill would declare that it is to take effect immediately as an urgency statute.

SB 353

— 2 —

vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: no.

0253

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of
 2 the following:

3 (a) The number of residential care facilities for the
 4 elderly in this state ~~have~~ **has grown** rapidly in recent
 5 years.

6 (b) Health care ~~service~~ plans and ~~insurance~~ providers
 7 are more frequently ~~contracting~~ with community-based
 8 institutions, such as nursing facilities, to ~~provide services~~
 9 ~~that were~~ previously provided primarily by general acute
 10 care hospitals.

11 (c) ~~Consumer~~ demands that long-term WC services
 12 ~~be~~ designed to match individual needs, ~~maximize~~
 13 independence, and ~~prevent~~ institutionalization are
 14 causing changes in the long-term care industry.

15 (d) The long-term care ~~service~~ delivery system has
 16 been ~~changing~~ due to consumer demands ~~that~~ the
 17 industry coordinate its care, optimize community-based
 18 options, and make available a choice of service and
 19 service delivery options, ~~thereby~~ enabling existing family
 20 and community-based systems of care to function most
 21 effectively.

22 (e) Current state licensing categories ~~do not~~ provide
 23 for the continuum of ~~service~~ delivery ~~settings that~~ best
 24 ~~allows~~ the ~~consumer~~ to maximize his or her
 25 independence.

26 (f) The categorical approach to funding ~~elder~~ health
 27 care services is driven by antiquated reimbursement
 28 mechanisms, licensing laws, and regularions. The
 29 ~~reimbursement scheme~~ continues to be ~~hospital~~ and
 30 institutional focused, ~~despite the~~ rise in home-based
 31 services and widespread need for ~~noninstitutional~~
 32 services.

33 (g) Oregon, Washington, and Wisconsin have
 34 successfully expanded home and community-based care
 35 to help control increasing ~~health~~ care ~~expenditures~~.

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SB 353

0254

1 These states have ~~been~~ able to ~~provide~~ services to more
 2 ~~people~~ using their available funds. Furthermore, 35 states
 3 are currently ~~using~~ or ~~planning to~~ use similar models. Six
 4 ~~states~~ are currently studying ~~the~~ issue.

5 (h) States that ~~have adopted the~~ federal waiver
 6 program provided for pursuant to subsection (c) of
 7 Section 1915 of ~~the~~ federal ~~Social Security Act~~ (42 U.S.C.
 8 ~~Sec. 1396n(c)~~), have ~~found that many nursing home~~
 9 residents have only custodial care needs, for example,
 10 help with bathing and dressing, and help to the ~~bathroom~~.
 11 Furthermore, ~~states that have implemented the~~ waiver
 12 are now able to provide services ~~to~~ more people with
 13 their available funds.

14 SEC. 2. It is ~~the~~ intent of ~~the~~ Legislature to do all of
 15 the following:

16 (a) ~~Ensure that the~~ elderly residents of this state are
 17 properly cared for and ~~that they have~~ access to adequate
 18 ~~services, health~~ facilities, and safety,

19 (b) Design a long-term care system ~~that will provide~~
 20 the ~~elderly with the~~ choice as to where they want to ~~live~~
 21 and receive care.

22 (c) Address ~~the~~ rapidly changing long-term care
 23 delivery system and setting.

24 (d) Act as a bridge to ~~future~~ changes in the
 25 ~~administration~~ of services to the elderly by maintaining
 26 ~~momentum~~ for ~~the~~ development of a more fluid and
 27 seamless long-term care delivery system and a system of
 28 ~~institutions~~.

29 (e) ~~Facilitate the integration of licensure~~ of long-term
 30 care facilities by ~~providing~~ the encouragement ~~to~~ seek
 31 out new ~~systems~~ of facility ~~licensure~~.

32 SIX. 3. Section 14132.18 is added to ~~the~~ Welfare and
 33 ~~Institutions Code, to read:~~

34 14132.18. (a) In order to provide ~~for~~ coverage under
 35 this chapter for services provided in residential care
 36 facilities, ~~the department~~ shall apply to ~~the federal~~
 37 government for a waiver under subsection (c) of Section
 38 1915 of ~~the federal~~ Social Security Act (42 U.S.C. Sec.
 39 1396n(c)). The waiver proposal ~~shall~~ include a

SB 353

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0255

1 commencement date of not later than September 15,
2 2000.

3 (b) If the waiver sought pursuant to subdivision (a) is
4 obtained, ~~the Health and Welfare~~ **California Health and**
5 **Human Services** Agency, **in coordination with the**
6 **California Department of Aging**, the department, the
7 State Department of Social Services, ~~the State~~
8 Department of Mental Health, and ~~the State Department~~
9 of Developmental Services, shall coordinate efforts to
10 ensure the successful implementation of the waiver
11 program.

12 SEC. 4. **This act is an urgency statute necessary for the**
13 **immediate** preservation of the public peace, health, or
14 safety within the meaning of Article XV of the
15 Constitution and shall go into immediate effect The facts
16 constituting ~~the~~ necessity are:

17 In order to enable certain Medi-Cal recipients to have
18 a better quality of life and, at the same time, to realize a
19 savings in General Fund revenues, at the earliest possible
20 time, it is necessary that this act go into immediate effect.

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BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

0256

RESOLUTION NO. _____

On the motion of Supervisor
duly seconded by Supervisor
the following resolution is adopted.

RESOLUTION SUPPORTING **AB 499 (ARONER)** DEMONSTRATION PROJECT TO TEST
ASSISTED LIVING **BENEFIT TO MEDI-CAL BENEFICIARIES**

WHEREAS, assisted living is a desirable supported housing option that offers maximum independence for people in need of long-term care; and

WHEREAS, assisted living has been shown to be a more desirable, less expensive alternative to Skilled Nursing Facility placement; and

WHEREAS, Medi-Cal is currently unable to offer assisted living as an option to its recipients, resulting in placement at unnecessarily higher levels of care; and

WHEREAS, it is important to create new supported housing options and sustain currently available options for people in need of Long Term Care; and

WHEREAS, AB 499 (Aroner) would require the Department of Health Services to develop a demonstration project to test the efficacy of providing an assisted living benefit to low-income beneficiaries under the Medi-Cal program.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that the County of Santa Cruz Board of Supervisors, is hereby recommending to state representatives that they take a support position on this state legislation because of its potential positive impacts on supported housing opportunities for Medi-Cal recipients in our County.

PASSED AND ADOPTED, by the Board of Supervisors of the County of Santa Cruz, State of California, this June 6th, 2000 by the following vote:

AYES:	SUPERVISORS
NOES:	SUPERVISORS
ABSTAIN:	SUPERVISORS

Chair of the Board

ATTEST:

CLERK OF THE BOARD

APPROVED AS TO FORM:

[Signature]
Assistant County Counsel

Distribution:
County Administrative Officer
Auditor-Controller
County Counsel
Health Services Agency Administration
Long Term Care Integration Pilot Project

AMENDED IN ASSEMBLY JANUARY 20, 2000

0257

AMENDED IN ASSEMBLY APRIL 6, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 499

Introduced by Assembly Member Aroner
(Coauthors: Assembly Members Aanestad, Bates, Corbett,
Kuehl, Steinberg Strickland, Thomson, Vincent, Wayne,
and Zettel)

February 18, 1999

An act to add Section 14132.26 to the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 499, as amended, Aroner. Medi-Cal: assisted living demonstration project.

Existing law provides for the Medi-Cal program, administered by the State Department of Health Services, under which qualified low-income persons are provided with health care services.

This bill would require the department to develop a demonstration project to test the efficacy of providing an assisted living benefit to low-income beneficiaries under the Medi-Cal program.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. (a) It is the **intent** of the Legislature to
2 develop **options that** allow **elderly** and disabled
3 **individuals maximum** choice in **determining** their living
4 arrangements, including the choice to remain in **the** least
5 **restrictive** and most homelike **environment as** they age or
6 grow frail.

7 (b) It is further the **intent** of the **Legislature** to ensure
8 that elderly and disabled individuals **have** access to
9 appropriate **health care** and **personal** assistance,
10 regardless of **their** income Level, **health status**, or choice
11 of housing arrangement.

12 SEC. 2. Section 14132.26 is added to **the** Welfare and
13 **Institutions Code**, to read:

14 14132.26. (a) The **department** shall develop a
15 demonstration project to test the **efficacy** of providing an
16 assisted living benefit to low-income **beneficiaries under**
17 the **Medi-Cal** program. The department shall submit any
18 necessary **waiver** applications or **modifications** to the
19 medicaid **state plan** to **the** Health **Care** Financing
20 Administration to implement the demonstration project,
21 and shall **implement** the project only to the extent federal
22 financial participation is available.

23 (b) The department shall develop the demonstration
24 project in conjunction with consumers, consumer
25 advocates, housing and service providers, and experts **in**
26 the fields of gerontology, geriatric health, nursing
27 services, and independent living.

28 (c) The assisted living benefit. shall be designed to
29 provide eligible individuals with a range of services that
30 enable **them** to remain in the least **restrictive** and most
31 homelike **environment** while **receiving** the medical and
32 personal care necessary . to protect their health and
33 well-being. **Benefits provided pursuant to this**
34 **demonstration project shall include only those not**
35 **otherwise available under the state plan, and may**
36 **include, but are not limited to. medicine management,**
37 **coordination with a primary health care provider, and**
38 **casemanagement.**

— 3 —

AB 499

0259

1 (d) (1) Eligible Individuals shall be those who are
2 determined by the department to be eligible for, ~~or at risk~~
3 ~~of~~, placement in a nursing facility. Eligibility shall be
4 based on an assessment of an individual's ability to
5 perform functional and instrumental activities of daily
6 living, as well as the individual's medical diagnosis and
7 prognosis,

8 (2) An eligible individual shall participate in the
9 demonstration project only if he or she is fully informed
10 of, the project and the nature of the benefit and indicates
11 in writing his or her choice to participate.

12 (e) (1) The demonstration project shall test the
13 effectiveness of providing a Medi-Cal assisted living
14 benefit through two service delivery approaches.

15 ~~(1) An approaches, as specified in paragraphs (2) and~~
16 ~~(3).~~

17 (2) Under the first model, an assisted living benefit
18 shall be provided to residents of licensed residential care
19 facilities. Under this model the facility operator shall be
20 responsible for the provision of services allowed under
21 the benefit, either directly or through contracts with
22 other provider agencies,

23 ~~(2) An~~

24 (3) Under the second model, an assisted living benefit
25 shall be provided to residents in a range of unlicensed and
26 unregulated settings including individual homes,
27 apartments, and residents in publicly funded senior and
28 disabled housing projects. Under this model an
29 independent agency, pursuant to a contract with the
30 department, shall be responsible for the provision of
31 services to eligible individuals in a geographic area
32 specified by the department.

33 (f) The department shall evaluate the effectiveness of
34 the demonstration project.

35 (1) The evaluation shall include, but not be limited to,
36 participant satisfaction and a comparison of the
37 cost-effectiveness of the demonstration project with
38 current state programs that provide services to
39 low-income elderly and disabled persons.

AB 499

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0260

1 (2) The evaluation shall estimate ~~the~~ projected
2 savings, if any, in the budgets of state and local
3 governments if the program was expanded ~~statewide~~.

4 (3) ~~The~~ evaluation shall be submitted to ~~the~~
5 appropriate policy and fiscal committees of the
6 Legislature on or before January 1, 2002.

7 ~~(g) The number of individuals, facilities, and agencies~~
8 ~~participating in the demonstration project shall be~~
9 ~~limited in accordance with any requirements of the~~
10 ~~Health Care Financing Administration.~~

11 *(g) The department shall limit the number of*
12 *participants in the demonstration project during the*
13 *initial three years of its operation to a number that will be*
14 *statistically significant for purposes of the program*
15 *evaluation and that meets any requirements of the*
16 *federal Health Care Financing Administration.*

17 *(h) The aggregate costs of benefits under the*
18 *demonstration project shall not exceed the average*
19 *monthly rate for the placement of waiver participants in*
20 *a skilled nursing facility.*