



County of Santa Cruz

HEALTH SERVICES AGENCY

1080 EMELINE AVENUE SANTA CRUZ, CA 95060
(831) 454-5494 FAX: (831) 454-4770 TDD: (831) 454-4123

October 12, 2001

AGENDA: October 23, 2001

BOARD OF SUPERVISORS
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

SUBJECT: Report Back on Long Term Care Pilot Project and Related Actions

Dear Members of the Board:

BACKGROUND:

Beginning in January 1997, your Board reviewed reports and took actions associated with the implementation of an integrated long-term care planning process for seniors and persons with disabilities living in Santa Cruz County. Currently, the State and Federal governments fund a complex range of health and social services designed to serve individuals who need assistance to maximize their independence in the community. The County's current long term care services are as follows: In-Home Supportive Services (IHSS), home health, skilled nursing facilities, intermediate care facilities (ICF), Meals on Wheels, Lifeline, Elderday, geriatric mental health services, residential care facilities, Senior Network Services, the Linkages Project, Adult Protective Services, Public Guardian, the Center for Independent Living, supportive housing, case management services, Multi-Purpose Senior Services (MSSP) and others. These services have many categorical funding streams with different eligibility criteria. Also some of the services overlap and are replicated in many agencies, such as case management. There is no single assessment center and intake process, nor is case management assistance available to all individuals who need it. It is difficult to navigate this system for most individuals and their families.

The Long Term Care Integration Project was designed to develop pilot projects that could be models for California in terms of "consumer friendly" service delivery and a cost-effective system of care. The goal of these models is to maximize the opportunities for independence, health, and quality of life. Many other states have restructured services to seniors and those with disabilities and improved satisfaction and community independence. The other states who accomplished this have consolidated programs and funding, set up centralized intake, assessment, and referral centers, provided coordinated case management systems and developed many new services to avoid institutional care. This usually was accomplished through blending of funding streams into a single funding stream with per member per month rates and flexible deployment of services. Information, case management systems, and intake/assessment were also consolidated. In these

other models of long term care, services were also co-located and shared administrative costs. The funds could then be used flexibly to meet individual patient needs in seamless system of care, Funds saved on expensive services could be re-directed to other areas with unmet needs.

Santa Cruz Activities in Long Term Care Integration:

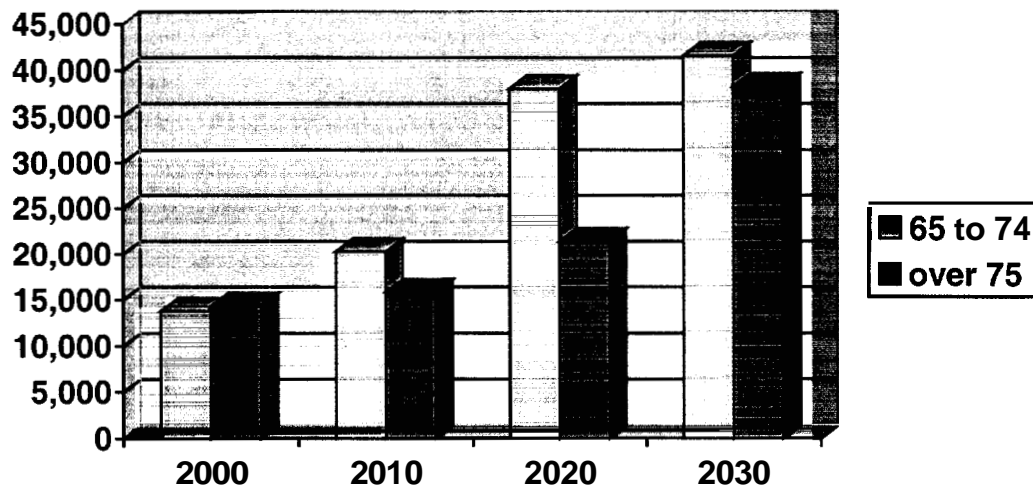
Santa Cruz County is in its third phase of long term care planning. This includes completion of a financial feasibility study of long term care integration, recommending structures for integrated information and case management and development of a governance model for service delivery. The State grant funding was not adequate to do the complex actuarial analysis of financial risk which is essential to determining whether the project can proceed. The Health Services Agency therefore applied for and was awarded a grant from the Community Foundation of Santa Cruz County to finance this very technical and specialized work. This grant will help create and analyze a health and social services cost database for persons using long term care services with Medical. The work on this analysis is proceeding and the County is currently waiting for Medicare data to be added to the Medical, MSSP, IHSS, hospice, and adult day health data.

Besides working on understanding financial risk and service trends, Health Services staff with the Long Term Care steering committee have continued to work on grants to enhance the project and fill in gaps in the service continuum. A grant was submitted to the State Department of Aging for a specialized long-term care center in Watsonville. This center would have included the Elderday South County program, 50 residential care beds, agencies serving seniors and individuals with disabilities, and health services for the seniors using the center. This would have been our first attempt to integrate services for long term care in one location to make assessment and access to care easier for the individual and their family. Unfortunately this grant was not funded and staff recently submitted another grant to the Robert Wood Johnson foundation for multi-year funding to develop the services needed in Santa Cruz County. In addition a grant concept is being developed for a California Endowment Community grant which would allow for additional expansion of services and development of integration models.

Besides grant writing, the long term care steering committee has been evaluating options for information integration and ease of access for both the older adult and their family as well as case managers working in agencies with the wide variety of funding streams. In the area of information for the public, the State granted over 2 million dollars for software development and implementation of a new web site in Alameda and Sacramento counties specifically for seniors and their families. Seniors are the fastest growing segment of the population in use of the Internet. In addition, many families provide support and assistance for their family members from great distances and need to coordinate with siblings and other caregivers. Attached is the homepage for the site in Sacramento County. It is the goal of the state to make this available in all counties for public use. In addition, sharing of information between agencies and case managers is also essential for good care. The State funded Santa Clara County to develop a software product for this purpose. It is also going to be demonstrated to the stakeholders serving seniors and individuals with disabilities.

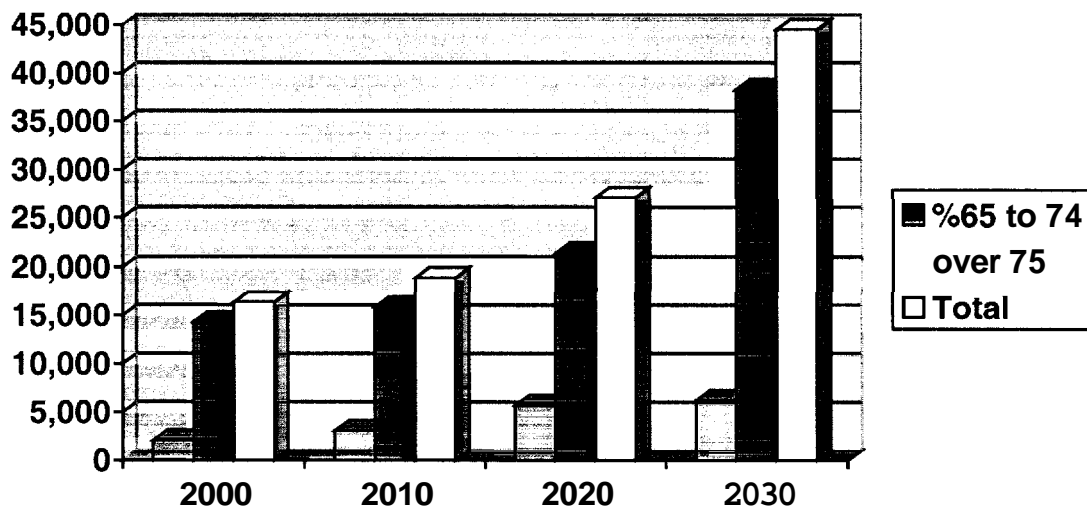
Senior Population Trends and Implications for Long Term Care :

Below are some of the reasons why working on improving long term care systems is important. Clearly the data indicates a growing number of elderly residents in the county and using current models of care, many will need assistance to remain living independently. These projections include census data and newly available state and local data.

Exhibit 1: SENIOR POPULATION SANTA CRUZ COUNTY

- In 2000, there were 13,807 elders between 65 and 74, and 14,304 age 75 and over (the ones most likely to need long term care services such as Elderday) living in Santa Cruz County.
- By 2010, the 65 to 74 population increases to 20,284 and the 75+ group will grow to 15,861.
- By 2020, there will be a large jump to 38,019 for seniors aged 65 to 74, and 21,390 over 75.
- And by 2030, elders 65 to 74 will number 41,590 and elders over 75 will swell to 38,264.

The long-term care system has a long history of funding the elderly in institutional settings such as skilled nursing. The current state system does not allow for alternatives to institutional care, thus, the home and community based services that are mostly desired by the elderly and their families, and are in fact the most cost effective, but are severely under-funded. The most dramatic example of this condition is the lack of residential care beds available to individuals living on Social Security funds alone who can no longer reside in their homes. There are very few beds available in the county for this target population. When a bed becomes available, a client who is able to pay without public funds is given priority over the low-income person with very little or no assets. This condition is caused primarily because the elderly population, 65 and over is growing at a very fast rate (Exhibit 1-Senior Population Santa Cruz County) and the new assisted living and residential care beds are growing only the very high-end facilities. It is important to note that at least 15% of those over 65 require full or part time long-term care supports at any given time. These seniors, and those over 75, are the main users of Elderday programs. The current and projected at risk populations are shown below.

Exhibit 2: Frail At-Risk Elderly Populations

- In 2000, there are over 2,071 elders between 65 and 74 who need some type of long term care services and 14,304 aged 75 and over.
- By 2010, those in the 65 to 74 age group who need long-term care assistance will increase by 47% to 3,043 and the 75+ group will grow by 10% to 15,861.
- By 2020, those 65 to 74 who need care will jump by 87% to 5,703, and those 75 and over will grow by 35% to 21,390.
- And by 2030, elders over 65 who need care will grow another 34% 6,239 and those over 75 will number 38,264, reflecting a growth of 79%.

This assumes that there is no major changes in percent of seniors living in the County. As housing gets more expensive, some of these projections could be less if seniors move out of the county before becoming frail. Nonetheless, there will still be a significant population remaining and needing a range of services. The County does not have the facilities or the funding from the State to address these population shifts. Continued work on alternatives to institutional care is needed to insure individuals can age with dignity in their community.

Progress Report on Development of an Adult Day Health Center in Watsonville:

Elderday Santa Cruz, a program of Community Bridges, formerly known as Food and Nutrition Services, was established in September 1981 to prevent premature or inappropriate institutionalization of frail elderly and younger functionally disabled individuals and to allow them to maintain their independence with dignity. Elderday provides an array of individualized medical services and social activities that address the health impacts of clients who have been historically medically underserved, and help stabilize and promote the well being of participants in a culturally competent setting. These services and activities also prevent or reduce higher cost medical care, hospitalization and institutionalization. Many of the participants have complex medical problems, mobility limitations, and dementias such as Alzheimers disease.

Currently, Elderday is located at 1410 Ocean St. in the City of Santa Cruz and is licensed and certified by the State Department of Health Services and the California Department of Aging. Elderday serves approximately 115 participants in the Santa Cruz center each week, 40+ of whom are transported from the Pajaro Valley because there are no such services for very low income residents in the area. The transportation van route from Pajaro Valley takes about an hour and a half one way to the Santa Cruz location. Therefore, only the strongest of the frail elderly are able to make a morning trip, spend the day at the center and then ride home. In an effort to better serve the needs of these clients and enhance our ability to serve the area, Elderday received a grant from the County of Santa Cruz this year to support the establishment of a new center in Watsonville.

Development and Licensure of the Elderday Pajaro Valley Program:

In order to implement a clinical program, work continues on the following activities:

1. License Application Submitted to the State Department of Health Services:

The required license application for the Center has been completed and submitted to the State Department of Health Services. Additional information and documentation has been requested from the Department of Health Services. Elderday staff will provide this information, which includes staffing patterns, program design and projected daily attendance. An inspection is required by the State before the Center can obtain final license approval. This is largely dependent on the site location and hiring of staff. To conserve County funds, only one staff member has been hired and is working on the project start up. Final Department of Health Services licensure requires the following tasks be completed: (1) A lease or purchase of the space needed for the program is finalized; (2) all renovations are completed and approved by appropriate government agencies, such as the Fire Marshall; (3) all rehabilitation and occupational equipment have been installed; and (4) all appropriately licensed staff is hired. The primary obstacle to proceeding quickly towards opening the Center is the resolution of the space issue which is discussed below.

2. Develop a viable business and financial plan for Elderday Pajaro Valley:

Many factors that can affect the financial operation of this new Center have yet to be resolved, such as the cost of rent and utilities, along with the cost of facility renovations. At the time the program was proposed, the State Department of Health, which funds the program, was providing cost of living adjustments which kept program funding in line with cost increases in the labor market and services and supplies costs. This past year, however, the State was unable to grant an expected 3% rate increase for statewide Adult Day Health Programs, but instead gave a rate increase of **three cents** per person per day. In addition, rising costs for nursing staff and rental space will require that the program be rethought to see if it can be sustained without augmentation after the start up funds are depleted. The development of Elderday Pajaro Valley is integrally connected to the operation of Elderday Santa Cruz. Their financial success is dependent on the financial success of each program, and on the financial status of local and state governments. During the past year, operational costs at Elderday Santa Cruz have also increased substantially, along with significant rent and living wage increases. Health Services staff are reviewing these program changes and will report back to your Board if original program assumptions on State financing have changed.

3. Securing Space for Elderday Pajaro Valley:

The search for an appropriate location in Watsonville has been very challenging for a number of reasons. It was difficult to find 3,500 square feet of space that could accommodate an adult day health center with the required outdoor program space. This type of license has many unusual space requirements due to the nature of the program and the fragility of the participants. The Center must include occupational therapy space, eating areas, bathroom and shower facilities, treatment and social service rooms and outdoor space. Furthermore, handicap accessibility and specialized transportation services must also be factored in when locating a site as well as compatibility with other activities located in the building and surrounding neighborhood.

The County worked with Community Bridges to evaluate a number of sites. Those that were feasible would have required new construction or significant renovation and leasehold improvements. Most of these could not have been accomplished within the program budget or would take years to be completed. The most favorable site is Watsonville Manor. It is located at 311 Montecito Avenue in Watsonville. Watsonville Manor has more than 24,000 square feet, and has **84** licensed residential care beds for seniors and individuals with disabilities. The residential care beds are very valuable to the County particularly as a source of low income housing for frail seniors not available to live independently. Watsonville Manor has an empty wing with 3,500 square feet available for use for the Elderday Pajaro Valley program. This wing would require approximately \$200,000 in renovations to meet all licensing requirements and earthquake standards. A plan was developed to identify these funds and work with the owner to make the necessary improvements. The location provides the program with a site that is compatible with the other services provided in the building and in the neighborhood.

During the past year, the owner of Watsonville Manor has expressed an interest in leasing the building with an option to purchase the property. The owner is supportive of the new senior service in the building. Because of the value of securing the residential beds for low income seniors, County staff, with Board support, began to evaluate the feasibility of purchasing this site. The County began work on the lease purchase documents with Real Property. An appraisal of the site was completed in September 2001. An environmental evaluation of the site related to toxics such as lead and asbestos is also in process. In order to recommend a possible purchase to the Board, a comprehensive business plan is needed on how to insure the debt could be serviced without new County funds. This analysis is currently underway. Recently, the owner informed the County that due to a change in financial circumstances, he is not willing to proceed with a lease with a purchase option. He prefers to wait and see if the County could proceed with an outright purchase of the property.

4. Expansion of Senior and Disabled Organizations at Watsonville Manor:

In order to enhance the options for improving services and managing the debt service on Watsonville Manor, the County requested that other senior service providers come and evaluate the space for possible co-location of services. Besides Elderday and the existing residential care beds, Watsonville Manor also has sufficient space available to potentially have additional health and social services located there to serve the elderly residents of Watsonville. Senior Legal Services, Senior Network Services, Salud Para La Gente, Dientes! and Meals on Wheels are programs that have expressed interest in providing services in this location. This proposed expansion establishes a foundation for all services for the frail elderly, and the aged, and some disabled services to be conveniently located "under one roof" at Watsonville Manor.

5. Applications for Additional Funding to Strengthen Financial Viability of South County Long Term Care Center:

There are plans to submit more applications for grants funding during the next two months. These funds will be directed to the start up operations of Elderday Pajaro Valley, to assist in the co-location of other health and social services program at the Watsonville Manor, and to help low income seniors afford the residential care beds.

All of these efforts are part of the larger community plan to expand, enhance and create needed services for frail seniors and the disabled. The Long Term Care Initiative Program has received three years of funding for planning purposes from the State Department of Health Services and implementation funding has been requested from the Robert Wood Johnson Foundation. Furthermore, the expected growth in the aging population in the next ten to twenty years will demand major changes in funding, methods and concepts in caring for frail elderly and younger functionally impaired adults. The State has been considering models to enhance alternatives to nursing homes which could make financing of the range of services envisioned for Montecito Center a reality.

RECOMMENDATIONS:

It is, therefore, RECOMMENDED that your Board:

1. Accept and file this report on the Long Term Care Integration Project; and
2. Approve the submission of a grant to the California Endowment for Long Term Care; and
3. Direct the Health Services Agency to report back by January 15, 2002 with an updated financial plan for Elderday Pajaro Valley and viable locations for the program.

Sincerely,



Rama Khalsa, Ph.D.
Health Services Administrator

Attachment: Home Page for Network of Care Sacramento

RECOMMENDED



Susan Mauriello
County Administrative Officer

cc: County Administrative Office
County Counsel
HSA Administration
HRA Administration
Long Term Care Integration Project Steering Committee

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sacramento.networkofcare.org

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SACRAMENTO COUNTY network of care

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- For Providers
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- Newsletter
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Network of Care was created with a California Department of Aging innovation grant. The project is part of a broad effort by our county to improve and better coordinate long-term care services locally.

This comprehensive, Internet-based resource is for the elderly and people with disabilities, as well as their caregivers and service providers.

We hope you enjoy the many features of this new community resource.

NEWS

Study: Chemo Worth the Risk for Seniors
October 11, 2001

Boomers Trying to Redefine Retirement
October 11, 2001

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Justices Hear Waffle House EEOC Case
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