

Date of Hearing: April 9, 2024

ASSEMBLY COMMITTEE ON HUMAN SERVICES

Alex Lee, Chair

AB 2650 (Zbur) – As Amended March 18, 2024

SUBJECT: Licensed adult residential facilities and residential care facilities for the elderly: data collection

SUMMARY: Requires the California Department of Social Services (CDSS) to collect specified information from licensed residential care facilities for the elderly (RCFEs) and licensed adult residential care facilities (ARFs). Specifically, **this bill:**

- 1) Beginning May 1, 2026, and annually thereafter, CDSS must collect information and send a report to each county's department of mental health or behavioral health containing all of the following:
 - a) Information gathered and reported as described in 7) and 8) below.
 - b) Total number of licensed RCFEs and licensed ARFs that exclusively accept public benefits recipients or residents diagnosed with a serious mental illness.
 - c) Total number of licensed RCFEs and licensed ARFs that serve public benefits recipients or residents diagnosed with a serious mental illness and that have exclusive use contracts with other public agencies.
 - d) The total number of residents occupying beds in licensed RCFEs and ARFs who are any of the following:
 - i) A public benefits recipient or a person diagnosed with a serious mental illness.
 - ii) A person described in i) who is receiving regional center funding.
 - iii) A person described in i) has a previous history of homelessness, incarceration, or institutionalization.
- 2) Defines the following terms for the purposes of this bill:
 - a) "Public benefits recipient" means an individual who qualifies for the federal supplemental security rate.
 - b) "Serious mental illness" means a serious mental disorder, as defined in Welfare and Institutions Code § 5600.3.
- 3) Requires CDSS to post the report required by this section on its internet website.
- 4) Sunsets the provisions of this bill on January 1, 2029.

EXISTING LAW:

- 1) Establishes the “California Community Care Facilities Act” to provide for the licensure and regulation of community care facilities. (Health and Safety Code [HSC] § 1500 et seq.)
- 2) Defines “community care facility” to mean any facility, place, or building that is maintained and operated to provide nonmedical residential care, day treatment, adult day care, or foster family agency services for children, adults, or children and adults, including, but not limited to, individuals with physical disabilities or mental impairments and abused or neglected children. Includes within this definition, among a number of other facilities: adult day programs, foster family homes, small family homes, full-service adoption agencies, short-term residential therapeutic programs, and crisis nurseries. (HSC § 1502(a))
- 3) Defines “residential facility” to mean any family home, group care facility, or similar facility determined by CDSS, for 24-hour nonmedical care of persons in need of personal services, supervision, or assistance essential for sustaining the activities of daily living for the protection of the individual. (HSC § 1502(a)(1))
- 4) Establishes the “California Residential Care Facilities for the Elderly Act” to provide for the licensure and regulation of RCFEs as a separate category within the existing licensing structure of CDSS. (HSC 1569 § et seq.)
- 5) Defines RCFE to mean a housing arrangement chosen voluntarily by individuals ages 60 and older, or their authorized representative, where varying levels and intensities of care and supervision, protective supervision, personal care, or health-related services are provided, based upon their varying needs, as determined in order to be admitted and to remain in the facility. (HSC § 1569.2(p)(1))
- 6) Defines ARF to mean any facility of any capacity that provides 24-hour-a-day nonmedical care and supervision to persons 18-59 years of age. (22 CCR § 80001(a)(5))
- 7) Requires CDSS to annually collect information and send a report to each county’s department of mental health or behavioral health of all licensed ARFs and RCFEs in the county that accept the federal supplemental security rate and accept residents with a serious mental disorder, and the number of licensed beds at each facility. (HSC § 1507.4(a); HSC § 1569.4(a))
- 8) Requires CDSS to quarterly send to each county’s department of mental health or behavioral health the report of licensed ARFs and RCFEs that closed permanently in the prior quarter, by county, and shall include the number of licensed beds of each facility and the reason for closing. (HSC § 1507.4(b)- 1569.4(b))
- 9) Establishes the State Supplementary Payment (SSP) for people who are aged, blind, or disabled, which is intended to supplement federal Supplemental Security Income (SSI) and provide persons whose needs result from age, blindness, or disability with assistance and services that help them meet basic needs and maintain or increase independence. Further provides that eligibility requirements for SSP match federal SSI criteria, and requires a minimum level of SSP benefits to be provided in order to maintain federal Medicaid funding, as specified. (WIC § 12000 et seq.)

- 10) Establishes the California Community Care Facilities Act, which provides regulatory structure for coordinated and comprehensive statewide system of care for the mentally ill, developmentally and physically disabled, and children and adults who require care or services provided by licensed community care facilities. (HSC § 1500 et seq.)
- 11) Defines “serious mental disorder” to mean a mental disorder that is severe in degree and persistent in duration, which may cause behavioral functioning which interferes substantially with the primary activities of daily living, and which may result in an inability to maintain stable adjustment and independent functioning without treatment, support, and rehabilitation for a long or indefinite period of time. Serious mental disorders include, but are not limited to, schizophrenia, bipolar disorder, post-traumatic stress disorder, as well as major affective disorders or other severely disabling mental disorders. This section shall not be construed to exclude persons with a serious mental disorder and a diagnosis of substance abuse, developmental disability, or other physical or mental disorder. (WIC § 5600.3)

FISCAL EFFECT: Unknown, this bill has not been analyzed by a fiscal committee.

COMMENTS:

Background: *Residential Care Facilities for The Elderly* are non-medical facilities that house and care for the aging population that have minimal health needs, but need basic daily help for services such as housekeeping, medication assistance, personal and hygiene care, and eating. There are three levels of care permitted in an RCFE which range from basic care when a resident still can retain some independence, to nonmedical care when a resident needs help with personal daily living activities, and the highest level of care is reserved for someone who needs extensive care with daily living activities and may have chronic health problems.

California’s network of RCFEs consists of small homes serving a handful of residents to larger RCFEs that can house over 100 residents in communities across the state. Facilities provide a special combination of housing, personalized supportive services, and 24-hour staff designed to respond to the individual needs of those who require help with activities of daily living. This level of care and supervision is for people who are unable to live by themselves but who do not need 24-hour nursing care. They are considered non-medical facilities and are not required to have nurses, certified nursing assistants, or doctors on staff. Facilities usually centrally store and distribute medications for residents to self-administer.

Costs of RCFEs vary widely. RCFEs in California cost an average of \$4,500 per month. However, monthly fees can exceed \$10,000. According to CDSS’ website, there are 7,473 licensed RCFEs total and 5,790 RCFEs that serve six or fewer persons.

Adult Residential Facilities are residential facilities that offer 24-hour nonmedical care and supervision for persons in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual. ARFs may serve persons who are 18-59 years of age or those who are 60 years of age or older under specified requirements. These clients may have a mental, physical or developmental disabilities. Like RCFEs, ARFs are for people who are unable to live by themselves but who do not need 24 hour nursing care. They are considered non-medical facilities and are not required to have nurses, certified nursing assistants or doctors on staff.

The cost of living in a board and care home depends largely on location and services provided. Because the homes are private residences, cost is also tied to real estate value. A board and care home could cost anywhere from \$3,500 to \$4,500 a month. In more expensive regions of California, the monthly cost might be as much as \$10,000.

Supplemental Security Income/State Supplementary Payment (SSI/SSP). SSI/SSP provides a monthly cash benefit to qualified low-income individuals and couples in order to help them pay for basic living expenses, such as food, clothing, and shelter. To be eligible for SSI/SSP, a person must be at least 65 years old, blind, or disabled and meet certain income and resource requirements. A qualified SSI recipient is automatically eligible for SSP. SSI is a federally funded benefit. The SSP benefit is funded with the state's General Fund and California sets its own SSP rates.

SSI/SSP grant amounts vary based on several factors, including whether a recipient is aged, blind, or living with disabilities; the individual's or couple's living arrangements; a recipient's marital status; and, whether or not a recipient is a minor. In the past ten years, the monthly SSI/SSP payment for individuals has increased by just \$124.32 to \$954.72. CDSS data shows the current SSI/SSP caseload at about 1.25 million individuals.

Some residents of ARFs and RCFEs are SSI/SSP recipients who receive the Non-Medical Out of Home Care (NMOHC) monthly rate of \$1,575.07. Of this amount, \$683.07 is for room and board, \$715 for care and supervision, and \$177 is retained by the SSI/SSP recipient. Facilities are not permitted to charge individuals receiving SSI/SSP above the state-mandated rate unless they are receiving additional income such as a pension and then they can charge an additional \$20. Thus, licensed ARFs and RCFEs receive a government-set SSI/SSP payment that amounts to about \$53 a day to pay for housing, 24-hour care, and three daily meals. Facility business owners report that because of this set rate, coupled with high cost of care and increasing costs of doing business, it has become somewhat difficult to sustain the operation of ARFs and RCFEs that accept SSI/SSP recipients. However, they are an essential component of addressing California's increasing homeless population, as they serve a particularly vulnerable population that requires 24-hour assistance and are living at or near the poverty level.

Population Aging and Rising Homelessness Rates. Population aging refers to the increase of people over the age of 65, while at the same time, a decrease in people age under the age of 15. Population aging has become a distinctive demographic feature in developing countries which currently have the largest proportion of people over the age of 65 in the world. Population aging can be attributed to increasing longevity and declining fertility. Data indicate that global life expectancy increased from 34 years in 1913 to 72 years in 2022 and is expected to continue on that trajectory.

According to the U.S. Census Bureau, 15.8% of California's population is over the age of 65 which is the largest number of older residents in the country, and estimates that about 22% of California's population will be over the age of 60 by the year 2030. The California Department of Finance projects that about one in four (23.1%) Californians will be over the age of 65 by 2040.

Author's Statement: According to the Author, "Licensed adult residential care facilities are integral to California's housing response, offering essential services like housing, meals, medication management, and support to vulnerable populations, including those on public benefits and individuals with serious mental illnesses. Despite their significant contribution to our communities, many of these facilities are closing due to funding constraints, placing the residents at risk of becoming unhoused, incarcerated, or institutionalized. To equip us to respond to this challenge, this bill will require the California Department of Social Services to collect and publicly report specific

data, including details regarding bed counts, information regarding the number of residents who rely on public benefits, and more. This information will help policymakers and local health officials understand the populations that these facilities serve and will inform future decisions and prevent further closures of these essential facilities.”

Equity Implications: RCFEs and ARFs play a critical role in housing adults who need supervision or care. The growing number of aging adults facing homelessness puts a particular pressure on examining housing and care options for low-income individuals. AB 1766 (Bloom), Chapter 139, Statutes of 2020, helped get the ball rolling on collecting information to have a better understanding of the universe of ARFs and RCFEs. This bill builds upon that effort to understand the demographics of those residing in ARFs and RCFEs.

Double Referral: Should this bill pass out of this committee, it will be referred to the Assembly Committee on Health.

RELATED AND PRIOR LEGISLATION:

SB 648 (Hurtado) of 2021, would have established the Enriched Care Adult Residential Facility pilot program for the purpose of promoting the sustainability of essential residential care facilities that serve recipients who receive SSI/SSP benefits. Specifically, SB 648 would have established a monthly stipend of \$1,000 per SSI/SSP recipient residing in qualifying licensed adult residential facilities and RCFEs. The stipend would have been capped at \$4,000 per month. *SB 648 was placed on the inactive file by the author.*

AB 1766 (Bloom), Chapter 139, Statutes of 2020, required CDSS to collect information and send a report to each county’s department of mental health or behavioral health of all licensed ARFs and RCFEs in the county that accept the federal supplemental security rate and accept residents with a serious mental disorder, as defined, and the number of licensed beds at each facility. Further required CDSS to send to each county’s department of mental health or behavioral health the report of licensed ARFs and RCFEs that closed permanently in the prior quarter, by county, and shall include the number of licensed beds of each facility and the reason for closing, as specified and among other things.

SB 1259 (Hurtado) of 2020, would have required CDSS to establish a task force for the purpose of issuing a report that would have included recommendations on how to meet the housing and care needs of low-income individuals who are blind, disabled, or over 65 years of age and receiving SSI/SSP, as specified. SB 1259 would also have required CDSS to provide updates on its progress in developing the report to specified committees. *SB 1259 was held on the Assembly Appropriations Committee suspense file.*

REGISTERED SUPPORT / OPPOSITION:

Support

Licensed Adult Residential Care Association (LARCA) (Sponsor)

Opposition

None on file.

Analysis Prepared by: Alexandria Smith / HUM. S. / (916) 319-2089