

# Residential Care Facilities for the Elderly

*The LTC Fundamentals series is produced by The SCAN Foundation to highlight and describe the organization and financing of long-term care (LTC) in California. This LTC Fundamentals brief provides an overview of Residential Care Facilities for the elderly, including the services provided in these settings, who lives in and uses these services, and how they are financed.*

## What are Residential Care Facilities for the Elderly?

Residential Care Facilities for the Elderly (RCFEs) are non-medical facilities that provide both housing and a range of supportive services to assist with daily living tasks. RCFEs, as a licensed residential long-term care (LTC) option, are voluntarily chosen by an individual who does not need 24-hour nursing care, but does require some daily assistance.<sup>1-3</sup> The term “RCFE” is used as both a licensure category within California and a general reference to facilities under this license type, which include board and care homes and assisted living facilities.<sup>4</sup> In California, these facilities are licensed by the Community Care Licensing Division (CCLD) of the California Department of Social Services.<sup>1,5</sup> RCFEs are predominantly for-profit, privately-owned entities and can range from residential homes to facilities that resemble apartments.<sup>4,6</sup> They can be freestanding or integrated with skilled nursing facilities or independent housing complexes. Some offer semi-private accommodations, such as shared rooms, while other facilities offer private apartments.<sup>2</sup> RCFEs range in size from six beds or less to over 100 beds.<sup>5</sup>

## What Types of Services Do RCFEs Provide?

Relative to nursing facility regulations, RCFEs exercise considerable flexibility in determining the populations they serve and the care provided. Within California, 75 percent of the residents of an RCFE must be age 60 or older and any resident age 18-59 must have needs that are compatible with those of other residents in the facility.<sup>1,7</sup> RCFE residents often have functional and cognitive impairments that limit their ability to independently accomplish activities of daily living (ADLs), such as bathing, grooming and dressing. At a minimum, RCFEs are required to provide or coordinate the following services:<sup>2,8,9</sup>

- Safe and healthy living accommodations and services;
- Sufficient staff available 24 hours a day to provide oversight and meet the scheduled and unscheduled needs of residents;
- Provision of oversight and supportive services, such as assistance with ADLs;
- Coordination of health-related services (e.g., medication administration services, treatments, wound care, etc.) provided by outside entities licensed to provide this type of care;

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- A planned activities program that includes social and recreational activities appropriate to the interests and capabilities of residents;
- Three nutritious, well-balanced meals as well as snacks made available daily;
- Regular observation of the residents’ physical and mental condition;
- Housekeeping and laundry; and
- Arrangements to meet health needs, including transportation.

RCFEs may admit residents with conditions requiring incidental medical services when the residents can either manage the condition themselves or with outside help from a medical professional. These include conditions requiring injections, such as with diabetes, or those requiring oxygen administration.<sup>10</sup> To provide additional types of care beyond the scope of what can generally be provided, RCFEs must request special permission from CCLD, which has oversight responsibility for RCFEs, and meet certain regulatory requirements. For example, RCFEs with a Hospice Waiver may provide end-of-life care to assist in carrying out an individual’s wish to die in their own residence.<sup>11</sup> Certain health conditions may restrict individuals from using RCFEs. For example, facilities may not admit or retain anyone with a communicable disease, serious infections, or anyone requiring around-the-clock skilled nursing care.<sup>4</sup>

## Characteristics of RCFE Residents

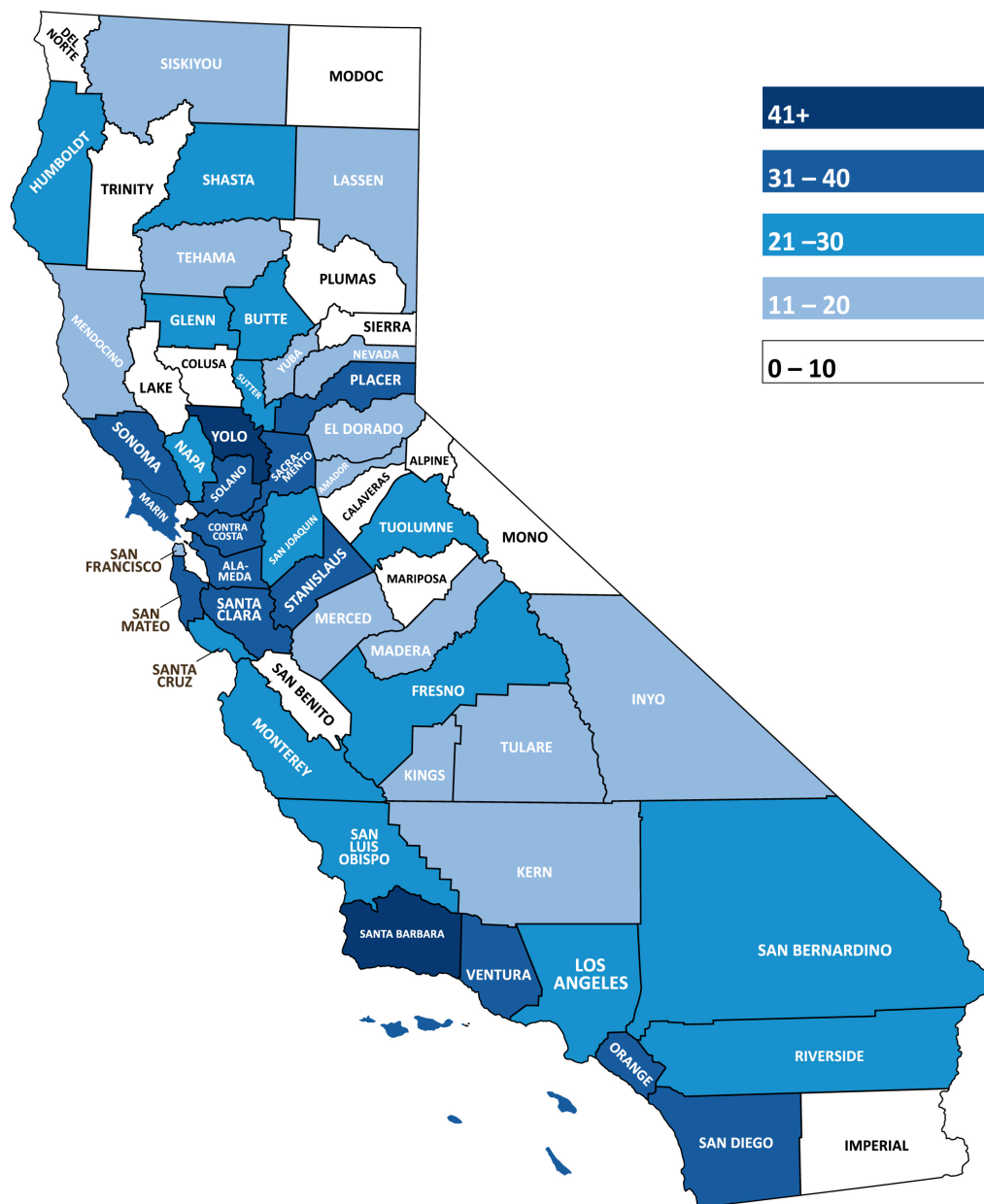
There are few current data sources describing RCFE residents and no known data source that specifically describes California’s RCFE population. Assisted living facilities are the most common type of RCFE and thus are the most frequently studied.

Nationally, residents come to assisted living facilities from a variety of settings including private homes, nursing facilities, or retirement/independent living communities. The majority of residents (70 percent) move into assisted living facilities after having lived in their private home or apartment. The average assisted living resident nationally is an 86-year-old female who is ambulatory, but needs assistance with about two ADLs, most likely bathing and possibly dressing or using the toilet. Eighty-seven percent of assisted living residents need help with meal preparation, while 81 percent need help managing their medications. On average, a resident of an assisted living facility stays for almost 2.5 years.<sup>12</sup>

## Distribution and Capacity of RCFEs within California

There are approximately 7,700 licensed RCFEs located throughout California. As of December 2010, the state’s southern coast consisting of Los Angeles, Orange, Ventura, and San Diego counties accounted for about 43 percent of these facilities. The Northern California region consisting of Del Norte, Humboldt, Lake, Lassen, Mendocino, Modoc, Nevada, Plumas, Sierra, Siskiyou, and Trinity counties accounted for only one percent of the state’s licensed RCFEs.<sup>13,14</sup>

The capacity of an RCFE, as measured by bed size, ranges in California from a few to over 100.<sup>9</sup> About 80 percent of RCFEs in California are considered “small” as they have six or fewer beds.<sup>2</sup> California has the capacity to serve approximately 170,000 individuals through its network of licensed RCFEs. As of December 2010, there were 29 beds per 1,000 seniors age 60 and older in California.<sup>13,15-17</sup>

**FIGURE 1** Residential Care Facility for the Elderly (RCFE) Beds per 1,000 Californians Age 60 and Older, by County, FY 2010


**Source:** The SCAN Foundation's analysis of data from the *Number of State Licensed Facilities, by County* data file (December 2010) from the California Department of Social Services, Community Care Licensing Division. Population data come from the *American Community Survey*, U.S. Census Bureau (2009).

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Figure 1 shows a map of California, reflecting the number of RCFE beds per 1,000 seniors age 60 and older by county in FY 2010. During this period, Santa Barbara and Yolo counties had the highest number of RCFE beds per 1,000 seniors, at 46 and 41 respectively. Plumas and Modoc counties had the lowest number of RCFE beds per 1,000 seniors at two and one, respectively. Five counties—Alpine, Mono, Del Norte, Sierra, and Trinity—had no RCFE bed capacity. Combined, these five counties accounted for only about 14,000 seniors or less than 0.2 percent of the state’s senior population.<sup>15-17</sup>

From 2001 to 2010, RCFE capacity in California grew by about 16 percent. By county, growth in RCFE capacity varied significantly. Thirty-eight of the 58 counties saw increases in the supply of RCFE beds during this period. Several smaller counties doubled or nearly doubled their RCFE bed supply. Los Angeles, the county with the largest senior population, saw a 10 percent increase in its RCFE bed capacity. Other larger counties such as Orange and San Diego observed similar increases. Despite the overall growth in bed capacity, 16 counties observed declines in RCFE bed capacity during this period. Of these, Mono and Alpine counties lost RCFE capacity altogether.<sup>14,18</sup>

## RCFE Workforce

RCFEs may employ a variety of professional, paraprofessional, and supportive staff, including administrators, direct care workers, activity directors, food service managers, and housekeeping staff.<sup>19</sup> Due to the non-medical nature of RCFEs, they are not required to have medically-trained personnel, such as nurses or physicians, on staff.<sup>2</sup> For care beyond an RCFE’s scope of practice, the facilities contract with other entities such as home health or hospice agencies to provide these services. At a minimum, staff must meet age requirements, which are 21

years of age for administrators and 18 years of age for other staff, and pass a criminal background check to be eligible to work in an RCFE. Administrators are subject to additional educational requirements that increase with the number of beds a facility contains. For example, an administrator of an RCFE with 15 beds or less must possess a high school diploma or equivalent, while an administrator of an RCFE with 50 or more beds must possess at least two years of college, three years experience providing residential care to the elderly, or equivalent education and experience as approved by the licensing agency.<sup>2</sup> Administrators must also complete a 40-hour training course and pass an exam in order to be certified. Other staff are subject to specific training requirements depending upon their position. Regulations governing RCFEs do not specify staff-to-resident ratios, but state that “personnel shall at all times be sufficient in numbers, and competency to provide the services necessary to meet resident needs.”<sup>3</sup>

## RCFE Oversight

States have the primary oversight responsibility over RCFEs. Most states fulfill this responsibility by establishing licensing standards, inspection procedures, and enforcement measures. Regulatory approaches adopted by states vary widely in scope and structure.<sup>7</sup> In California, CCLD is responsible for the licensing and oversight of RCFEs. It ensures that RCFEs operate in a manner consistent with the California Code of Regulations (CCR), Title 22, which lays out the care and safety standards that govern this care setting.<sup>3</sup> CCRs for RCFEs specify admission and retention criteria, residents’ rights, and staff training requirements, among other things.<sup>3</sup>

CCLD inspects each facility once every five years to ensure that it is operating in compliance with the CCR and the Health and Safety Code.<sup>20</sup> It accomplishes this by selecting a 30 percent random sample of

facilities to inspect each year, as required by statute. Additionally, CCLD carries out annual “targeted visits” for those facilities having a history of non-compliance. Inspections include interviews with residents and staff.<sup>21</sup> If a facility fails to maintain compliance with licensing standards, the CCLD has the authority to issue citations, assess financial penalties, and/or revoke the facility’s license.<sup>11</sup> CCLD also investigates complaints against facilities and is mandated to follow up on these complaints within 10 days of their receipt.<sup>22</sup>

## RCFE Costs & Financing

The cost of an RCFE varies depending on a number of factors including the level of the resident’s need, apartment size and location. The monthly rate for a private room in an RCFE in California ranges from \$1,350 to \$8,550. The median rate is \$3,500 per month or \$42,000 per year.<sup>23</sup>

In California, residents or their families generally pay the cost of RCFE care using their own financial resources. An individual’s long-term care insurance policy may cover a portion of the costs of RCFE services. Additionally, some facilities accept Supplemental Security Income (SSI)/State Supplementary Payment (SSP) as payment for services. SSI is a federal program, administered by the Social Security Administration that guarantees a minimum monthly income for individuals who are aged, blind, or disabled, and have limited income and resources. States can further augment these benefits through SSP. As of January 2011, the maximum SSI and SSP amounts for California are \$674 and \$412, respectively, making the combined maximum benefit equal to \$1,086. For residents who qualify for SSI/SSP, state regulation limits the amount a facility can charge. The average cost of an RCFE for these individuals is \$961/month or \$11,532/annually.<sup>10</sup>

Medi-Cal, California’s Medicaid program, generally does not cover the cost of services provided in an RCFE. In 2005, the state applied for and was granted a Medicaid waiver on a pilot basis to provide services to Medi-Cal-eligible RCFE residents in three counties: Los Angeles, Sacramento and San Joaquin. Enabled by legislation<sup>24</sup> and approved by the Centers for Medicare and Medicaid Services (CMS), the Assisted Living Waiver Pilot Project was administered by the Department of Health Care Services (DHCS) in 2006 to test the effectiveness of assisted living as a Medi-Cal benefit.<sup>25</sup> A key goal of the pilot project was to enable low-income, Medi-Cal eligible seniors and persons with disabilities who would otherwise require nursing facility services to remain in or relocate to community-based care. Through the pilot, Medi-Cal paid for RCFE services, excluding room and board, for 1,000 residents of RCFEs in the selected counties. Initially scheduled to end in 2009, the program was extended for an additional five years effective March 1, 2009 and was renamed the Assisted Living Waiver. Currently, there are expansion efforts underway in the original three counties as well as Sonoma, Fresno, San Bernardino and Riverside Counties. In addition, DHCS has the authority to add 60 waiver slots per county per year. The Assisted Living Waiver currently serves approximately 1,300 individuals.<sup>8,26-28</sup>

## Conclusion

RCFEs are part of the continuum of care, providing a vital option of housing with services for individuals who want to remain in the community, but need more support and socialization than they may be able to affordably receive while living in their own home. The first members of the baby boomer generation turn 65 in 2011 and it is expected that California’s senior population will nearly double by 2030.<sup>29</sup> As such, the demand for RCFEs will likely increase.

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Still, the cost to live in an RCFE may be prohibitive for many. Provisions in the Affordable Care Act may provide greater opportunity for individuals to access long-term care services in this setting. For example, the Community Living Assistance Services and Supports Plan (CLASS), a national voluntary long-term care insurance program, will provide a cash benefit that eligible participants can use to access long-term care in the setting of their choice. Additionally, the Assisted Living Waiver in California has provided access to RCFEs for beneficiaries who may have otherwise sought care in a nursing home due to Medi-Cal coverage limitations. Given the likely future need for affordable and accessible housing with services, states should consider all pathways to expand the structures and financing models under the RCFE license category.



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