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James L. Carpenter
Interim Director

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STATUS REPORT ON THE PILOT PROJECT AUTHORIZING DIRECT ADMISSION TO EXTENDED CONGREGATE CARE

PURPOSE OF REVIEW

This is a status report on a pilot project designed to determine the effects of allowing assisted living facilities (ALFs) to directly admit individuals to extended congregate care (ECC). ECC allows ALFs to provide care to individuals who otherwise may have needed to be placed in nursing homes. Prior to the creation of the project, ALFs could provide extended congregate care only to individuals who had been residents of the facilities for 90 days or more.

Chapter 95-418, Laws of Florida, created a two-year pilot project authorizing ALFs that had been licensed for at least two years and also held ECC licenses to directly admit individuals into ECC. The law also requires the Office of Program Policy Analysis and Government Accountability (OPPAGA) to evaluate the pilot project and to provide status reports on January 1, 1996, and January 1, 1997, and a final report by December 31, 1997. This is the first of the required reports and provides background information about the pilot project and evaluation and presents the results of a survey of the providers eligible to participate in the project.

BACKGROUND

Assisted living facilities have been licensed by the state since 1975 and provide housing, meals, and personal services in home-like settings to adults who need supervision or assistance with the activities of daily living such as bathing, eating, or dressing. In 1991, the Florida legislature created the ECC license. The ECC license allows ALFs to provide residents with additional supportive and nursing services that they otherwise would have needed to receive in a nursing home. These services enable residents to remain in familiar living environments despite the physical or mental decline that may occur with aging. This concept is know as "aging in place."

Although aging in place is the basis for ECC, ECC care also can be a cost-effective alternative to nursing home care. According to a study by the Department of Health and Rehabilitative Services, in 1994, the average monthly rate for ECC residents was $1,995. In contrast, the average rate for nursing home residents with similar needs was $3,388. Thus, ECC may alleviate or delay the need for residents to seek public support for their long-term care needs. It also could provide the state with a lower cost alternative for serving individuals who could not otherwise pay for their care.

However, the cost-effectiveness of ECC remains open to question. ECC rates do not cover the costs of basic necessities, such as medications, included in the rates for nursing homes, and ECC residents directly pay for these necessities. In addition, since they are not as highly regulated as nursing homes, ECCs may pose additional risks to their more impaired residents.

The cost-effectiveness of and risks posed by ECC remain unresolved due to the low number of individuals who have been placed in ECC under the aging-in-place concept. By 1994, three years after the establishment of the ECC license, only 76 ALF residents had been placed in ECC. The pilot project should provide better information about ECC by increasing the number of people eligible for ECC placement and by providing for an evaluation of the pilot project.

EVALUATION DESIGN

The primary objectives of the OPPAGA evaluation are to determine the impacts of direct admissions to ECC. Specific objectives are to determine whether direct admissions will significantly increase the number of people receiving ECC services; whether ECC provides a cost-effective alternative to nursing home care; and whether ECC poses acceptable risks to residents and their families.

These objectives were determined as a result of a workshop, which was attended by 19 individuals representing 13 stakeholder groups. These individuals agreed that the evaluation should collect information about:

- The number of individuals directly admitted to ECC;
- The characteristics of those individuals;
- The cost of the services these individuals receive;
- The individuals' ability to pay for these services; and
- The extent to which ECC residents and their families are satisfied with the care received.

The evaluation will also provide comparative information on ECC residents, standard ALF residents, and nursing home residents.

In addition, the evaluation is designed to gather information on the implementation of the ECC pilot project. As a first step, we surveyed the providers eligible to participate in the project to determine the status of their ECC program and to obtain their opinions of the potential benefits of and barriers to ECC.

SURVEY RESULTS

Survey Participants

At the time of our survey, 72 ALFs were eligible to participate in the pilot project. We were able to reach 62 administrators or owners representing 67 of these facilities. These facilities vary widely in their size and staffing. The number of clients they serve ranges from 5 to 350 and their staff to client ratios range from 1:20 to 1:1. In addition, facilities vary in the types of staff they have. For example, with the exception of a few small facilities, most of the ALFs have nursing staff. Some ALFs rely more heavily on licensed nurses while others primarily use certified nursing assistants.

Potential Benefits of ECC

Most of the ALF owners or administrators responding to the survey believed that extended congregate care benefits both ALFs and their residents. ALFs benefit by being able to retain residents for longer periods of time. In addition, extended congregate care makes ALFs more attractive to elders and their families, and ALFs use ECC to attract residents. Forty-one of the facilities included in our survey used their ECC license to help market their facilities.

Residents benefit by being able to receive assistance in homelike settings. These settings give residents more independence, flexibility, and privacy than nursing homes. They also provide greater opportunities for residents to socialize and engage in a variety of activities. In addition, ECC allows residents to remain in ALFs when their conditions change and can delay or even prevent their placement in nursing homes.

The Use of ECC

Despite these benefits, only 14 of the facilities included in our survey were admitting individuals to ECC. Most of the owners or administrators of the remaining 53 facilities said that they had not yet experienced a demand for ECC. Others cited lack of available space, the newness of the law, and their need to upgrade their staff or facilities as reasons they were not yet admitting individuals to ECC. Consequently, in the ALFs eligible for the pilot project, only a small percentage of the residents were in ECC. Of the approximately 4,500 residents in these facilities, a little less than 200 (4%) were in ECC.

As the pilot project continues, the number of providers admitting individuals to ECC should increase. Owners or administrators of 44 of the 53 facilities that were not admitting individuals to ECC at the time of our survey said that they planned to do so during the following year.

The number of residents in ECC should also increase. The ALF owners and administrators we interviewed anticipated that they would admit a total of approximately 350 individuals to ECC within the next year. Nevertheless, only a small percentage of the residents in these ALFs will receive ECC services.

Perceived Barriers to ECC

A majority (35) of the ALF administrators and owners surveyed identified barriers that they believe will limit the growth of ECC. The most frequently cited barrier was affordability. Although nearly all respondents believed that ECC is less costly than nursing home care, it costs more than standard ALF care. The additional costs stem from the extra nursing and personal care services ECC clients need as well as the increased administrative workload required to meet ECC licensure requirements. Currently most ALF residents pay for their own care. Twenty-five of the survey respondents believed that many individuals could not afford to pay for the extra costs of ECC without some type of public assistance.

Although Medicaid covers the cost of long term care for poor individuals, its coverage is largely limited to nursing home care. Florida has a Medicaid waiver that allows it to pay for some ALF residents, but the number of individuals who can be served under the waiver at any one time is limited to about 225. ALF administrators and owners believe that unless the number of people served by the waiver is increased, many individuals who could be served by ECC will go to nursing homes.

Two other barriers to the use of ECC were cited by more than one respondent. The first is that doctors and other individuals who advise elders about their long-term placement options are not aware of ECC admission criteria and therefore do not refer clients who meet these criteria to ALFs. The second is that the criteria for individuals who can remain in ECC are too restrictive, particularly for elders who may have intermittent needs for more intensive care.

Opinions About ECC Regulation

Thirty-five of the 62 ALF owners and administrators surveyed also identified a number of areas in which the regulations governing ECC could be streamlined. Two of the most frequently mentioned areas were documentation and inspection requirements. Several respondents believed that the forms for ECC residents are duplicative and cause excessive paperwork for ALF staff. In addition, several respondents believe that the quarterly inspections required for facilities with ECC residents are excessive and that the inspections conducted by various regulatory agencies, such as the Agency for Health Care Administration and fire marshals, could be better coordinated.

Other areas of concern expressed by respondents included the clarity of the regulations for ECC and the variation in the manner different regulatory staff interpret these regulations. In particular, respondents noted that the regulations do not clearly define which individuals can be served in standard ALFs, ECC, or nursing homes. In addition, respondents believe that the regulatory staff who inspect ECC facilities do not have the training or experience necessary to interpret standards in a predictable manner.

While many ALF owners and administrators thought regulations could be streamlined, 17 believed the regulations could be strengthened to ensure quality of care. In particular, these respondents believed that the training provided to ECC administrators needed to be improved and that ECC facilities should have more highly trained professional nursing staff and exercise greater control over the supervision of medications.

FUTURE EVALUATION ACTIVITIES

At the time of our survey, the pilot project allowing residents to be directly admitted to ECC had been in effect for less than four months. Consequently, little information is available concerning the effect of the project on the number of individuals admitted to ECC and the cost and quality of long-term care services. During the next two years, we will use a number of methods to collect this information. For those ALFs eligible to participate in the pilot project, we are currently collecting data on:

- The functional and medical conditions of individuals being admitted to facilities as standard ALF or ECC residents, the amount facilities are charging these residents, residents' out-of-pocket costs for other services, their assets and incomes, and their reasons for choosing standard ALF or ECC care; and
- The reasons why residents leave ALFs and their level of care at time of discharge.

During the next two years, we plan to visit a number of the facilities participating in the pilot project to conduct a more intensive review of the files of a sample of their residents, to observe operation of the facilities, and to interview clients and their families to determine their satisfaction with the care they receive.