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Second Status Report on the Pilot Project Authorizing Direct Admission to Extended Congregate Care

Report Abstract

- **Extended Congregate Care (ECC) may offer a higher quality of life at less cost than nursing home care.**
- **However, since the implementation of the direct admission pilot project, there has not been a significant increase in the number of ECC residents in the pilot project facilities.**
- **Several factors appear to be limiting the use of ECC: low demand, affordability, strict regulatory requirements, and lack of knowledge about ECC.**

Purpose

Chapter 95-418, Laws of Florida, requires our office to conduct a study of a two-year pilot project authorizing assisted living facilities (ALFs) to directly admit individuals to extended congregate care (ECC) services.[1] The purpose of the pilot project is to determine the impacts of the direct admission policy. The project was designed to provide more information about ECC by increasing the number of people eligible for ECC placement and providing for an evaluation of the pilot project.

This status report provides an update on the implementation of the pilot project, including information about the status of the ECC programs of eligible facilities, and owner/administrator opinions about the feasibility of ECC care as an alternative to nursing home care.[2] Our final evaluation report is due to the Legislature by December 31, 1997.

Background

Assisted living facilities (ALFs) 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. The Agency for Health Care Administration regulates these facilities. In 1991, the Florida Legislature created the specialty ECC license, which allows ALFs to provide residents with additional supportive and nursing services that they would otherwise need 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 known as "aging in place."

While ECC allows individuals to age in place, there are two unresolved issues related to the use of ECC. The first is whether ECC is a cost-effective alternative to nursing home care, and the second is whether the use of ECC poses potential safety risks to residents.

[1] Prior to the creation of the pilot project, ALFs could provide ECC services only to individuals who had resided in the facilities for 90 days or more.

[2] Our first status report, Report No. 95-19, was published on December 21, 1995.

State officials and university researchers who work in the area of long-term care believe that ECC can be a cost-effective alternative to nursing home care. In 1994, the Department of Health and Rehabilitative Services estimated that the average monthly rate for ECC residents was 60% of the average nursing home rate; $1,995 compared to $3,388 for a nursing home resident with similar needs. With this cost difference, it is thought that ECC could provide the state with a lower cost alternative for supporting individuals who cannot pay for their own long-term care. The use of ECC may also extend the retirement resources of middle income individuals, and thus delay or alleviate the need for residents to seek public support for their long-term care needs. However, due to the low number of individuals who have been placed in ECC, this issue is unresolved.

There is also concern about the safety of more impaired residents since ECC facilities are not as highly regulated as nursing homes. For example, ECC facilities encourage a more independent lifestyle, with less supervision and monitoring of residents by facility staff.

The facilities eligible to participate in the pilot project are located throughout the state and vary widely in size, with resident capacities ranging from 6 to 600. Facilities are located in: single family homes in residential areas; facilities with apartment-like accommodations; and retirement communities which contain residential options ranging from independent apartments and homes to ALFs and nursing homes.

Implementation of the Pilot Project

When the pilot project began in 1995, the Legislature set forth requirements under which facilities could directly admit residents into ECC, and under which residents could be directly admitted. One way the Legislature intended to determine the appropriateness of placement was for the Department of Elder Affairs (DOEA) to conduct pre-admission assessments of potential residents using the Comprehensive Assessment and Review for Long-Term Care Services (CARES) Program. However, CARES is not used for this purpose. According to DOEA, federal law allows CARES to be used for specific purposes, including appropriateness of placement in nursing homes, but does not permit assessment of appropriateness of placement in other facilities such as assisted living facilities. Because CARES is 75% federally funded, DOEA is concerned that using CARES in the way the Legislature intended could result in federal financial sanctions on the state or could jeopardize federal funding. We believe the Department's decision is reasonable. To determine appropriateness of placement, facilities must conduct a preadmission assessment using specific criteria outlined in law that includes the results of an examination by a health care provider.

The Legislature also restricted the number of assisted living facilities that could directly admit residents to ECC. In 1995, 72 facilities were eligible to participate in the ECC direct admission program. By September 1996, the number of eligible facilities had increased to 76. Of the currently eligible pilot project facilities, 45 (60%) are participating in the evaluation by providing us with resident demographic, cost, and medical profile data on an ongoing basis.

Survey Results

This year we conducted a second telephone survey of 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.

Perceived Benefits of ECC

As was the case last year, most of the 63 ALF owners or administrators we surveyed this year believe that there are two principal benefits of extended congregate care: it allows residents to remain in ALFs when their conditions change, and it offers a higher quality of life at less cost than nursing homes.

Extended congregate care makes ALFs more attractive to elders and their families, who prefer the

home-like ALF setting to the more institutional, medical environment of a nursing home. ECC is a particularly beneficial alternative for residents who have only a temporary need for a higher level of care. Providers said that this care can often be provided in an ECC-licensed ALF, thus eliminating the need for transfer to a nursing home.

Owners and administrators also see cost-effectiveness as a benefit of ECC. Almost all of our survey respondents (92%) believe that residents with similar needs can be served in ECC facilities less expensively than in nursing homes. Different staffing requirements of the two types of facilities was the major reason cited for cost differences. Respondents explained that many ECC level residents need primarily custodial, rather than medical care. ECC facilities can provide custodial care through the use of less skilled staff, while some nursing home staff must be more skilled, and thus more highly paid. Respondents also noted that nursing homes charge daily rates that include the availability of a full spectrum of services, while ECC facilities charge residents only for those services that they receive.

ALF providers also believe that their facilities benefit from ECC by being able to retain residents for longer periods of time. Thus, staff know residents and have better knowledge of their needs.

The Use of ECC by Pilot Project Facilities

Despite the perceived benefits of ECC, the number of individuals receiving ECC services in the pilot project facilities has not increased significantly over the past year. In the 63 facilities that responded to our survey, about 200 residents are in ECC.[3]

However, the number of pilot project facilities that accept ECC residents has doubled from 14 to 28. About half (13) of these 28 facilities have used the option of directly admitting residents who require ECC. The 61 residents who were directly admitted into ECC accounted for about two-thirds of the 90 residents that began receiving ECC services in the pilot project facilities in 1996.

As they did last year, some respondents cited lack of available space or beds and their need to upgrade their staff or facilities as reasons they were not admitting individuals to ECC.

The use of ECC may increase somewhat in the next year. The ALF owners and administrators we interviewed anticipate that they will admit a total of 179 individuals to ECC within the next year.

While respondents do not expect a large increase in the growth of ECC in the coming year, they indicated that many of their residents require services that exceed the standard offerings of their ALFs. For example, the facilities participating in the pilot project serve almost 300 residents who they believe are "borderline" and may technically meet ECC or nursing home criteria.

Perceived Barriers to the Use of ECC

Owners and administrators surveyed identified four barriers that they believe are limiting the growth of ECC: lack of demand, affordability, regulatory and staffing requirements, and lack of knowledge about ECC. Since the beginning of the pilot project, ALF administrators and owners have voiced increasing concern about barriers they believe will limit the growth of ECC. In 1995, about one-half of the respondents identified barriers to the use of ECC; by 1996, almost 70% of respondents expressed concern about the continued growth of ECC as a nursing home alternative.

Facilities Are Experiencing Low Demand for ECC. Most of the owners or administrators of the 35 facilities that are not currently using their ECC license said that they had not yet experienced a demand for ECC

ECC May Not Be Affordable for Residents. Since most ALF residents pay for their own care, affordability is an issue. In both years, the most frequently cited barrier to the use of ECC was affordability (one-third of the respondents raised this concern). Although nearly all respondents believe that ECC is less costly than nursing home care, it

[3] At the times of both 1995 and 1996 surveys, about 4,500 residents were served by respondents; approximately 4% of these residents were in ECC.

does cost 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 licensing requirements.

Some respondents indicated that many low- to moderate-income individuals could afford to pay for standard ALF services, but could not afford to pay for the extra costs of ECC without some type of public assistance. They also pointed out that the use of ECC for publicly supported residents is limited by the availability of Medicaid funding, which is largely limited to long-term residential care in nursing homes.

Regulations and Higher Staffing Costs May Deter Facilities From Applying for the ECC License. Respondents also expressed concern about regulatory requirements as a barrier to the growth of ECC. Thirteen of 63 respondents (20%) believe that some facilities may be unwilling to obtain the license due to more stringent documentation and inspection requirements. For example, an individual service plan is required for each ECC resident, but standard care residents are not required to have such plans. Also, ECC facilities are monitored three times a year in addition to the biennial inspection, while standard care facilities receive only a biennial inspection. In addition, respondents believe the criteria for individuals to remain in ECC are too strict, particularly for elders who may have only intermittent needs for more intensive care.

Finally, respondents cited staffing costs as a barrier to the growth of ECC. ECC residents require more care than standard ALF residents, therefore increasing facilities' costs of providing services.

ECC May Not Be Well Understood. Several owners and administrators identified a lack of knowledge and understanding about ECC. Many physicians and other individuals who advise elders about their long-term placement options are not aware of the availability of ECC. Consequently, they do not refer clients who meet ECC criteria to ALFs.

Future Evaluation Activities

During the final year of the evaluation, we will continue to collect and analyze information about the impact of the direct admissions policy on the ECC Program. We will use this information to determine:

- The number of individuals directly admitted to ECC since the beginning of the pilot project;
- The characteristics of those individuals compared to standard ALF and nursing home residents;
- The costs of services ECC residents receive and their ability to pay for these services; and
- The extent to which ECC residents and their families are satisfied with the care they receive.

This project was conducted in accordance with applicable evaluation standards. Copies of this report may be obtained by telephone (904/488-1023 or 800/531-2477), by FAX (904/487-3804), in person (Claude Pepper Building, Room 312, 111 W. Madison St.), or by mail (OPPAGA Report Production, P.O. Box 1735, Tallahassee, FL 32302).

Web site: http://www.state.fl.us/oppaga/

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