

ISSUE BRIEF: Adult Residential Care Facilities – The Critical Needⁱ

As part of a robust supportive housing continuum, there is a critical need to provide adequately financed and staffed Adult Residential Facilities (ARFs) for adults with severe mental illness (also known as “Residential Care Facility (RCF)”, “Enhanced Board & Care, “Assisted Living”). ([ARF Definition](#))

Due to ARF closures and lack of new facilities and/or adequate supportive housing options, many individuals are not able to obtain sustainable housing within the appropriate level of care following stays in acute in-patient treatment programs, hospitals, Transitional Residential Treatment Programs and/or correctional institutions. The social and financial cost is high as individuals enter a “revolving door”, returning to those same institutions or to homelessness. (Transitional Programs cost appr. \$150/day per resident. Psychiatric hospitals/facilities range from \$350 - \$775/day. Prison costs appr. \$195/dayⁱⁱ. County jail costs appr. \$155+ per day (Alameda County, 2014).ⁱⁱⁱ

It is in the best interest of adults with mental illness, and in the best financial interest of the State of California to end the “revolving door” scenario, and increase access to appropriate community-based, long-term residential options that include the necessary supports to address mental illness and other co-occurring physical health conditions. ARFs are a critical component of this housing continuum.

CHALLENGES: Three key challenges:

1. **Financial:** ARFs for adults with severe mental illness cannot survive on a small scale without substantial subsidies. On a larger scale (45+ beds), a supplemental rate (known as ‘patches’) from counties ranging from \$64/day to \$125/day^{iv} per resident is required to maintain fiscal stability.^v
2. **“Not In My Backyard” (NIMBY)** opposition from communities for new construction or attempts to rezone a property for ARF (required for more than 6 beds).
3. **Staffing:** Providing and retaining a professional, trained and experienced staff requires proper management, appropriate salaries and on-going training (also a “Financial Challenge”).

ITEMS TO ADDRESS:

- 1) Educational forums/public relations efforts to prevent NIMBY on the local level to increase successful implementation of new ARFs for adults with mental illness.
- 2) More robust training for staff and owners to both: a) Successfully work with this complex and vulnerable population; and b) Maintain fiscal stability.
- 3) Increase alternative supportive housing options for those who can live more independently.

The CA Mental Health Planning Council (CMHPC) Advocacy Committee has released a [paper](#) with the following ideas for discussion:

- 1) Changes to the current licensing structure to accommodate a tiered level of care system;
- 2) Increasing SSP benefit amounts to correlate to the level of care. (SSP is the CA program that augments SSI.)

ⁱ Among 22 counties reporting to a 2016 CA Mental Health Planning Council survey, 907 beds were needed with 783 beds lost in the last 10 years.

ⁱⁱ CA Legislative Analyst’s Office: http://www.lao.ca.gov/PolicyAreas/CJ/6_cj_inmatecost

ⁱⁱⁱ [The Price of Jails: Measuring the Taxpayer Cost of Local Incarceration \(Page 26, Vera Institute of Justice.\)](#)

^{iv} Rates found on-line from 2016-17 [San Luis Obispo County Contracts with Psynergy Programs, Inc](#) (page 9) and [Davis Guest Home](#) (page 6).

^v RCFs that provide residential care to adults with mental illness survive at a larger scale (45+ beds), with “patches” provided by counties. Psynergy Programs, Inc. and Davis Guest Home offer examples of companies that operate RCFs with a financial model that works due to “patches” paid by counties (added to resident’s SSI). Even with the additional revenue, this financial model requires a minimum of 45 residents. These are considered “Enhanced” or “Augmented Board & Cares” as they provide needed supports to the residents, including team leaders, activities, dietary staff, access to a psychiatrist and more. Psynergy additionally provides: Medication Support, Mental Health Services, Crisis Intervention, Case Management and Collateral (all Medi-Cal billable.)