



# COUNTY OF SAN DIEGO

## BOARD OF SUPERVISORS

1600 PACIFIC HIGHWAY, ROOM 335, SAN DIEGO, CALIFORNIA 92101-2470

### AGENDA ITEM

**DATE:** June 14, 2022

COSD CLERK OF THE BOARD  
2022 JUN 6 AM 11:24

**TO:** Board of Supervisors

**06**

#### **SUBJECT**

**SUPPORTING ALL HOUSING AND SERVICE PROVIDERS FOR ADULTS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES THROUGH ADOPTING A RESOLUTION AND LOCAL ADVOCACY TO THE STATE (DISTRICTS: ALL)**

#### **OVERVIEW**

With inflation at a 40-year high, everyday consumer purchases continue to increase in cost rapidly. This inflationary environment has also led to sharp increases in staffing and operational costs for employers. As a result, the budgets of housing and service providers for the 360,000 people with intellectual and developmental disabilities (I/DD) in California, who require special services and care at great expense, have been strained. Further, changes to state policy governing care facilities for developmentally disabled individuals and new criteria for reimbursement rates is creating economic barriers to establishing care. The lack of additional funding and full cost recovery for all Community Care Facilities (CCFs) has resulted in significant budgetary challenges for a number of facilities in California who face ongoing struggles to cover the cost of operations.

According to the San Diego Regional Center, there are more than 300 adults in San Diego and Imperial Counties, and nearly 3,500 statewide, living in a CCF, Intermediate Care Facility, or Nursing Facility with more than six residents. Statistics show that more people with I/DD are frequently outliving their parents for the first time in history, further demonstrating the need for more and expanded care facilities. It is crucial to call upon the state to increase funding to allow CCFs to continue to meet the needs of our growing population of individuals with I/DD.

Pursuant to Welfare and Institutions Code Section 4519.8, the Department of Developmental Services (DDS) submitted a rate study addressing the sustainability, quality, and transparency of community-based services for individuals with developmental disabilities to the Legislature in March 2019 and new reimbursement rates were established as a result of recent implementation. However, the rate study did not include rate models for homes with seven or more placements so these homes will continue to be reimbursed at existing rates, which has made it challenging for

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some of our local facilities to serve the I/DD population.

For example, Noah Homes is one of San Diego's largest providers of housing to San Diego County residents with I/DD and has the only memory care home in California specifically serving adults with I/DD who are suffering from Alzheimer's and other forms of dementia. The facility is a globally recognized model that has served our community for over 39 years. Noah Homes would need to evict 40 percent of its residents to be eligible to receive higher reimbursement rates based on the current DDS Regional Center Care Facility Payment Rates Per Consumer structure. Over the years, Noah Homes has received about 30 percent of their funding from fundraising and donors to augment a lack of funding from DDS for their operations. DDS has not supported CCFs for full cost recovery of operations and this year, implemented rate structures that will now present ongoing budgetary challenges and potential closures.

Today's action would direct the Chief Administrative Officer to include in the Board's Legislative Program support for State legislation and/or administrative actions that would adjust reimbursement rates in order to sustain operations and/or funding for Regional Centers and CCFs that serve persons with I/DD. The recommended actions would also direct the Chief Administrative Officer to write a letter to the Director of DDS and Secretary of California Health and Human Services (CalHHS), with a resolution, requesting increased funding for Regional Centers and all models of CCFs that serve persons with I/DD. This letter shall be shared with all members of the delegation and the Governor. By supporting this proposal, the Board of Supervisors can advocate for more housing choices and person-centered selection of housing for San Diegans with I/DD, keeping them in their current homes without fear of eviction.

**RECOMMENDATION(S)**

**SUPERVISOR JOEL ANDERSON AND CHAIR NATHAN FLETCHER**

1. Direct the Chief Administrative Officer (CAO) to include in the Board's Legislative Program support for legislation and/or administrative actions that would adjust reimbursement rates in order to sustain operations and/or funding for Regional Centers and Community Care Facilities (CCFs) that serve persons with intellectual and developmental disabilities (I/DD).
2. Direct the CAO to send a letter to the Director of the Department of Developmental Services (DDS) and the Secretary of California Health and Human Services (CalHHS), requesting adjustments to the reimbursement rates for Regional Centers and all models of CCFs that serve persons with I/DD, as well as the restoration of funding increases for facilities housing seven or more individuals per unit. The letter should include language highlighting that facilities like Noah Homes are struggling to sustain operations, and would also request that Regional Center Care Facility Payment Rates Per Consumer consider changing future scoring to include parameters and benchmarks that reward quality of care and services.

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3. Direct the CAO to share the above letter with the members of our region's State legislative delegation and Governor requesting that they work with DDS to adjust reimbursement rates in order to sustain facilities' operations.
4. Adopt a resolution entitled: SUPPORTING ALL HOUSING AND SERVICE PROVIDERS FOR ADULTS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES THROUGH ADOPTING A RESOLUTION AND LOCAL ADVOCACY TO THE STATE, communicating the Board of Supervisors' support for restoring funding rate increases and eventual reimbursements in full, for all CCFs and standardizing rate increases based on quality measures pursuant to Centers for Medicare and Medicaid Services (CMS) guidelines, instead of on the size of the service provider's facilities rate as set by CMS.

**EQUITY IMPACT STATEMENT**

The majority of San Diegans with I/DD live at a family home and lack affordable housing options in the community. From 2009 to 2019, individuals who utilize California DDS services across the state, with a residence in the community, increased by 2,753 people, meaning that approximately 275 people per year were able to find housing within the community. During that same time, individuals who lived at a family home increased by 92,459 people. Removing funding barriers to provide more community housing options to more people with I/DD is critical to advancing our efforts and aligns with the County's efforts to advance equity and end homelessness.

**FISCAL IMPACT**

Approval of this item will not result in any additional General Fund costs or any additional staff years.

**BUSINESS IMPACT STATEMENT**

If approved, these recommendations will have a positive impact on the business community by providing additional consumer spending opportunities and enhancing the diversity and inclusiveness of our community. Diverse communities are positively linked to economic growth and job opportunities. Research also shows that housing discrimination and segregation negatively impact economic growth for everyone. If not approved, the growing number of people with I/DD outliving their parents may be forced to find refuge with a sibling as a caregiver, further straining the working population. In the U.S., the direct economic effect from the need for caregiving is estimated at nearly \$44 billion through the loss of more than 650,000 jobs and nearly 800,000 caregivers taking absences from the workplace (The Blue Cross Blue Shield Health Index). We expect this number to rise in San Diego if we cannot protect affordable community housing options for adults with I/DD.

**ADVISORY BOARD STATEMENT**

N/A

**BACKGROUND**

According to the San Diego Regional Center, there are more than 300 adults in San Diego and Imperial Counties, and nearly 3,500 statewide, living in a CCF, Intermediate Care Facility, or

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Nursing Facility with six or more residents per home. Statistics show that more people with I/DD are frequently outliving their parents for the first time in history, further demonstrating the need for more and expanded care facilities. It is crucial to call upon the state to increase funding to allow CCFs to continue to meet the needs of our growing population of individuals with I/DD.

Home and Community-Based Services (HCBS) provide opportunities for Medicaid beneficiaries to receive services in their own home or community rather than institutions or other isolated settings. These programs serve a variety of targeted population groups, such as people living with I/DD, physical disabilities, and/or mental illnesses. The Federal HCBS waiver program has gone through a number of changes since it was first enacted, broadening and expanding state flexibility in operating HCBS programs, allowing various models of CCFs to successfully operate.

While federally supported, some recent changes in state DDS policy will make some HCBS models cost prohibitive. For example, Noah Homes is one of San Diego's largest providers of housing to San Diego County for residents with I/DD and has the only memory care homes in California specifically serving adults with I/DD who are suffering from Alzheimer's and other forms of dementia. Their model provides lifelong housing in 10 homes for 90 adults with I/DD ranging from 23 to 72 years old, but the State has limited reimbursement increases for facilities in their service category

Pursuant to Welfare and Institutions Code Section 4519.8, DDS submitted a rate study addressing the sustainability, quality, and transparency of community-based services for individuals with I/DD to the Legislature in March of 2019. The rate study recommended rate increases for CCFs with six or fewer placements. With lack of consideration of the quality of facilities, the rate study did not include rate models for homes with seven or more placements so these facilities will continue to be reimbursed at existing rates despite factors such as inflation and increases in service costs.

The Lanterman Developmental Disabilities Services Act, known as the "Lanterman Act," was passed in 1969 and defines the rights of persons with I/DD and establishes a service system to meet the individualized needs of the person and their families throughout the state. Housing is a crucial component to whole person wellness, and various models of CCFs that support the well-being of I/DD should be upheld as viable options at the state through appropriate reimbursement.

At the highest service level, the new reimbursement structure pays facilities with four or less individuals with I/DD per home \$10,795 per individual and a lower rate of \$8,476 per individual for facilities with seven or more individuals with I/DD per unit. Facilities like Noah Homes, which house eight to eleven individuals with I/DD per 5,000 sq. foot unit, will be unable to sustain their existing HCBS model under this rate. This creates a scenario where Noah Homes may have to evict existing residents to meet the new state rate of reimbursement per individual despite the quality of care of the facility.

Of individuals served by DDS, 80 percent currently live at the home of a family member, guardian, or conservator. The fastest-growing population of individuals served by DDS are individuals above

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the age of 62, which saw record growth of 105 percent between 2017 and 2019. In May, DDS announced a new staff position in Sacramento dedicated solely to innovative housing solutions for adults with I/DD living with aging parents, who are also experiencing health and aging issues. To combat the housing crisis and meet the needs of this diverse community, California must fund a wide variety of residential and vocational settings, permitting the individual and their family to choose their homes like millions of other state residents who receive housing assistance.

The housing crisis for individuals with I/DD is two-fold. The state has provided less funding and equity in housing choices for adults with I/DD and a population of individuals who are outliving their caregivers. There are currently very limited community housing choices for adults with I/DD of any age. As people with I/DD continue to outlive their caregivers in growing numbers, they are left with few if any other viable housing choices. If they are forced to find refuge with a sibling or other relative, it can further decrease their quality of life and put added strain on the economy due to relative absenteeism at work or job loss altogether. The state has not adequately considered the ongoing struggles of families to find suitable care for their loved ones with I/DD and the common desire of individuals living with I/DD to live with others.

People with I/DD face a serious lack of safe, affordable, accessible and integrated housing, and significant housing-related discrimination. For many, Social Security and Supplemental Security Income benefits, which are often far lower than typical rents, are their primary or sole source of income and beneficiaries are generally priced out of rental markets across the country. With a growing population, there must be adequate and increased funding of services to support community-based facilities for individuals with I/DD.

DDS does not currently support CCFs for full cost recovery of operations and this year implemented rate structures that will now present ongoing budgetary challenges and potential closures for CCFs like Noah Homes due to their inability to pay for cost increases without any increase in reimbursement from DDS. It is crucial to call upon the State to change their policies for individuals with I/DD and to consider increased funding for Regional Centers and all CCFs that serve persons with I/DD.

Today's action will direct the County to support legislation and administrative actions that would achieve appropriate rates in order to sustain operations and funding for Regional Centers and all CCFs that serve persons with I/DD and will call upon our leaders at the State to address financial barriers to services and housing for this growing population of vulnerable individuals. By supporting this proposal, the Board of Supervisors can advocate for more housing choices and person-centered selection of housing for San Diegans with I/DD, keeping them in their current homes without fear of eviction.

We urge your support for the actions before you.

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**LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN**

Today's proposed action to request modifications to the reimbursement rates supports the Sustainability, Equity and Community Strategic Initiatives in the County of San Diego's 2022-2027 Strategic Plan by advocating for housing security for vulnerable populations.

Respectfully submitted,



JOEL ANDERSON  
Supervisor, Second District



CHAIR NATHAN FLETCHER  
Supervisor, Fourth District

**ATTACHMENT(S)**

**Attachment A-**Department of Developmental Services San Diego Regional Center Community Care Facility Rates – Effective April 1, 2022

**Attachment B-** Resolution Supporting Housing And Service Providers For Adults With Intellectual and Developmental Disabilities

**Attachment C-**Agenda Information Sheet