

STORAGE NAME: h4035.ltc

DATE: March 18, 1998

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
Elder Affairs & Long Term Care
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: HB 4035

RELATING TO: Adult Family Care Homes

SPONSOR(S): Representative Roberts-Burke

COMPANION BILL(S): SB 1872

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) Elder Affairs & Long Term Care
 - (2) Government Rules & Regulations
 - (3)
 - (4)
 - (5)
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I. SUMMARY:

HB 4035 amends chapter 400, Part VII, F.S., which governs adult family care homes (AFCH). The bill clarifies that an adult family care home provides housing and personal care in a private home with an individual or family and allows for assistance with prescribed medications along with other personal services. It requires that AFCHs caring for two residents be licensed in contrast to the current standards that require licensure as an AFCH when three or more residents are being cared for. The bill provides certain exemptions to licensure. The bill requires the provider to meet the requirements of level 1 background screening of section 435.03, F.S.

The bill deletes the provision that an unlicensed home cannot hold itself out to the public as a place that provides personal care. The bill requires that the Department of Elder Affairs(DOEA) and Agency for Health Care Administration(AHCA) develop minimal and flexible rules and minimize obstacles so as not to inhibit the establishment of adult family care homes.

The bill provides an effective date.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Chapter 400, Part VII provides that an *Adult Family Care Home* means a full-time, family-type living arrangement in a private home. An AFCH provides room, board and one or more personal care services for no more than five aged persons or disabled adults. If a home has 1, 2 or 3 residents and advertises, then it is required to be licensed. Currently there are 374 licensed AFCHs in the state.

Not Adult Family Care Homes for Licensure Purposes

- ▶ An establishment that provides personal care services to three or fewer adults when none of them receive optional state supplementation (OSS),
- ▶ An establishment that provides personal care to three or fewer adults but does not hold itself out to the public as a place that regularly provides such services,
- ▶ An establishment in which personal care is provided only to relatives,
- ▶ An establishment that is licensed as an assisted living facility (ALF).

OSS Reserved Beds

AFCHs licensed after January 1994 must designate one space in the home for a resident receiving OSS.

The OSS program is a cash assistance program administered by the Department of Children and Family Services (DC&FS). It serves to help prevent institutionalization by supplementing the person's income to help pay for alternative living arrangements in the community.

Rules & Licensure

Section 400.621, F.S., provides that DOEA, in consultation with the DC&FS and AHCA establish, by rule, the minimum standards and licensing procedures for AFCHs. The agency is responsible for licensure and enforcement of compliance with regulations. The Department of Health (DOH) has inspection responsibilities that are carried out by the local county public health units.

Background Checks

Current law requires that the AFCH applicant, all adult household members, and all staff be checked through the abuse registry and the Florida Department of Law Enforcement (FDLE). However, there is no specific requirement to meet level 1 background screening standards as provided in section 435.03, F.S.

Residents & the Concept of Aging-in-Place

Aged persons are defined as persons 60 years of age or older who require one or more personal services but not 24-hour nursing supervision. A disabled person is defined as a state resident between 18 and 59 years of age who has one or more permanent physical or mental limitations that restrict the person's ability to perform the normal activities of daily living.

The Legislative intent expressed in section (1) of this Part is that AFCH regulations be sufficiently flexible to allow residents to *age-in-place*, if resources are available to meet their needs. Personal services are defined in law as individual assistance with or supervision of activities of daily living, supervision of self-administered medication, and other similar services.

Current law provides that a person who would not be an appropriate resident in any assisted living facility under s. 400.426, F.S., would not be appropriate in an AFCH. The statute allows the department to, by rule, establish standards for the adequate supervision of AFCH residents.

Legislative intent specifies that the purpose of the AFCH statute is to provide for the health, safety and welfare of residents in an AFCH. AHCA reports that regulations governing AFCHs are considerably less restrictive than the statutes governing the ALF program though both facilities serve residents who need some assistance and personal care to manage their activities of daily living.

B. EFFECT OF PROPOSED CHANGES:

The bill reduces the number of persons from three to two in a home before an AFCH license is required. The bill exempts certain establishments and care arrangements from licensure. It deletes the provision that a resident who is not appropriate for an ALF is not appropriate for an AFCH. It substitutes the phrase "frail elder" for "aged person" to comport with chapter 430 which governs the DOEA. It provides Legislative intent regarding services to frail elders. It specifies that an AFCH provides housing and services to frail elders and disabled adults who choose to live with an individual or a family in a private home. It clarifies appropriate placement.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

- a. Does the bill create, increase or reduce, either directly or indirectly:

- (1) any authority to make rules or adjudicate disputes?

The department and AHCA are directed to implement rules which are as minimal and flexible as possible to ensure the protection of residents while minimizing obstacles that could inhibit the establishment of AFCHs.

Section 4 of the bill deletes the department's authority to write rules establishing standards for the adequate supervision of residents.

- (2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

It is probable that additional facilities will seek licensure because of the reduction from three to two in the number of persons an establishment may care for before being required to be licensed as an AFCH.

- (3) any entitlement to a government service or benefit?

None.

- b. If an agency or program is eliminated or reduced:

- (1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A.

- (2) what is the cost of such responsibility at the new level/agency?

N/A.

- (3) how is the new agency accountable to the people governed?

N/A.

2. Lower Taxes:

- a. Does the bill increase anyone's taxes?

No.

b. Does the bill require or authorize an increase in any fees?

No.

c. Does the bill reduce total taxes, both rates and revenues?

No.

d. Does the bill reduce total fees, both rates and revenues?

No.

e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

The AFCH operators pay for some of the costs in the licensure fee.

4. Individual Freedom:

a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

No.

b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

a. If the bill purports to provide services to families or children:

(1) Who evaluates the family's needs?

N/A.

(2) Who makes the decisions?

N/A.

(3) Are private alternatives permitted?

N/A.

(4) Are families required to participate in a program?

No.

(5) Are families penalized for not participating in a program?

No.

b. Does the bill directly affect the legal rights and obligations between family members?

No.

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A.

(2) service providers?

N/A.

(3) government employees/agencies?

N/A.

D. STATUTE(S) AFFECTED:

Chapter 400, Part VII

E. SECTION-BY-SECTION RESEARCH:

Section 1 changes the phrase “aged persons” to “frail elders”. It revises the definition of Adult Family Care Home to add that an AFCH provides housing and personal care for disabled adults and frail elders who choose to live with a family in a private home.

It revises the phrase “personal services” to “personal care”.

Section 2 reduces the number of persons who can be cared for in a home that is not licensed as an AFCH from three to two. It deletes the criteria that a home not hold itself out to the public as a determinant of whether licensure would be required. It deletes the definition of “aged person” and adds a definition for “frail elder”. A definition of “appropriate placement” is provided which allows the resident to be considered appropriately placed if the AFCH or the resident can arrange sufficient services that the resident’s needs are met.

Section 3 requires that the provider of an AFCH meet the level 1 background screening requirements under s. 435.03. The section makes technical and conforming changes.

Section 4 relating to rules and standards for AFCHs provides that the department’s rules assure that the resident is appropriately placed in an AFCH. DOEA and AHCA are directed to implement regulatory requirements that are adequate to protect health and safety but which do not inhibit the establishment of AFCHs. It deletes the requirement that DOEA establish in rule standards for the adequate supervision of residents. It deletes the provision that a person not appropriate for an ALF would not be appropriate for an AFCH.

Section 5 makes technical and conforming changes.

Section 6 makes a technical and conforming change.

Section 7 makes a technical and conforming change.

Section 8 makes technical and conforming changes.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

AHCA would probably experience a workload increase because homes with three or more, rather than four or more, residents would require licensure.

Section 3 of the bill requires level 1 background screening at a cost of \$21 per applicant. Currently, this is a cost borne by the agency since the \$100 application fee goes to the DOEA.

2. Recurring Effects:

None are projected at this time.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

The application fee is \$100. It cannot be determined at this time how many homes not currently licensed would be required to become licensed if this bill passes.

2. Direct Private Sector Benefits:

AHCA and DOEA report that residents will benefit from the health and safety protections that accrue from licensure as it relates to homes not currently required to be licensed. AFCHs that accept up to two residents who do not receive OSS would not have to be licensed.

3. Effects on Competition, Private Enterprise and Employment Markets:

None is projected.

D. FISCAL COMMENTS:

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

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VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

VII. SIGNATURES:

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