

ADULT FAMILY CARE EXPANSION ACTION PLAN

ISSUE:

Executive Order 100, signed March 23, 2004 by Governor McGreevey, mandated the Department of Health and Senior Services to create an action plan by October 2004 that expands the Adult Family Care Program (AFC) in New Jersey. The plan is due to the Commissioner on September 1, 2004 and the Governor's Office on October 31, 2004.

ACTION PLAN:

The steps necessary to develop the action plan are:

- Hire a consultant, affiliated with AARP, to promote AFC in counties where the program currently exists.
- Develop promotional materials with AARP in conjunction with the consultant.
- Review the Statute to consider Alternative Models of AFC that are now permitted.
- Reconsider AFC regulations in light of the Statute.
- Propose AFC regulations after the reconsideration.
- Inform Community Choice Counseling Staff of the existence of AFC.
- Recruit new Sponsor Agencies in uncovered counties.

DISCUSSION:

An AFC Workgroup, composed of AFC Sponsor Agency representatives, Claire Edelman, Consultant, and Department staff, Barbara Fuller, Suzanne Watson and Marilyn White met five times between June 8 and August 9 to review the Executive Order and to strategize how to best grow the program in compliance with the Executive Order and the Legislation.

We believe that the existing Sponsor Agency model is the most cost-effective, efficient way to operate the AFC Program. Sponsor Agency responsibilities include: the recruiting, screening, and training of caregivers prior to licensure; assessment of clients; placements of clients with appropriate caregivers; care plan development; care management, monitoring the placements; and administrative functions such as hiring staff, record keeping and billing. We agreed that the best way for the program to grow is to have an AFC sponsor agency in each county. The local presence of a responsible entity, with an established track record for good service to seniors and the physically disabled, with a positive name recognition, creates trust in those both seeking to provide and receive this long term care service alternative.

It does not seem realistic to expect that the Department would create a new Unit within the Division of Long Term Care Systems to oversee this program. Costs of staffing and administration would be prohibitive and operating from a Central Office would negate the good that comes from a local presence. The statute

mandates that the DHSS issues the license to the caregiver, but this can come after the initial qualifying by the Sponsor Agency.

At this time there are six licensed Sponsor Agencies that operate in Bergen, Camden, Essex, Gloucester, Hudson, Mercer and Passaic Counties. Effectively, there is no AFC in 14 counties. To recruit Sponsor Agencies, we wish to implement the following short-term goals in the uncovered counties and long-term care goals in all counties.

SHORT-TERM GOALS:

Recruit Sponsor Agencies

- Speak to the AAA Directors and provide them with AFC information.
- Create a Letter of Interest in becoming an AFC Sponsor Agency to send to the AAA Directors. The Division of Aging and Community Services (DACS) will ask them to either send the letter to entities in their provider network that could be identified as potential sponsors or to provide DACS with a list of those names to send the letters.
- County Liaisons from our Office will speak at AAA provider/collaborative meetings to generate interest in the program.
- County Liaisons from our Office will set up meetings with interested providers in order to help them through the licensing application process and program implementation.
- Existing AFC Sponsor Agencies will be available to discuss the program with potential agency sponsors in uncovered counties.
- Explore existing Sponsor Agencies' ability to cover additional territory in adjoining, uncovered counties.

Efforts to Support Existing Program and new AFC Sponsor Agencies

- Create a provider Operations Manual for prospective AFC Sponsor Agencies.
- Create program brochures.
- Transfer AFC video to DVD for easy presentation.
- Review the Regulations and work with the Division of Long Term Care Systems to update them to reflect the Statute.
- Recommend, in a Legislative Analysis of A1228, to increase the per diem for Adult Family Care Sponsor Agencies, as well as Assisted Living providers.

Efforts to Recruit Caregivers and Clients

- Have newly hired Consultant speak to Senior Citizen groups, including AARP chapters, Senior Centers, Nutrition sites, to explain program.
- Create Public Service announcements for local cable access and radio stations.
- Notify Community Choice Counselors, Long Term Care Field Office Managers, and Staff from the Office of Community Choice Options of the availability of AFC in covered counties.

- Present an AFC overview to the Medicaid Supervisors in the 21 Boards of Social Services/County Welfare Agencies

Certain Actions may yield both Sponsor Agencies as well as identify caregivers and clients.

- Send letter of interest and program information to providers of the Congregate Housing Services Program and Statewide Respite Care Program.
- Speak at the New Jersey EASE for Caregivers Advisory Committee and the New Jersey Adult Day Services Association.

LONG-TERM GOALS FOR AFC:

- If the current plan for recruiting additional Sponsor Agencies does not work, we suggest the creation of a RFP for entities in the uncovered counties that offers start-up money along with technical advice to help develop a program.
- Increase the per diem reimbursement from \$40 to \$50 a day to make it more attractive to potential agencies and caregivers.
- Explore the inclusion of related family members as AFC caregivers.
- Explore other living arrangement models for AFC caregivers, e.g., caregiver moves into client's home.
- Explore other program structures if Sponsor Agency model is not feasible in uncovered Counties
- Speak with the Board of Nursing to request the addition of an AFC component to the Nursing Assistant/Home Health Aide curriculum.

Attachments:

Timeline

Program history

Draft of AFC brochure

SUMMARY OF AFC PROGRAM

DEFINITION OF ADULT FAMILY CARE

Adult Family Care (AFC) is a community-based program which offers room, board, personal care and other supportive health and social services for the elderly and physically disabled who are in need of long term care. Participants move into the homes of carefully screened caregivers who have been trained to provide appropriate assistance and supervision with all activities of daily living in a 24-hour per day living arrangement. The services are individualized to the person's needs in a plan of care, which the care manager develops with the participant and monitors on a regular and as needed basis.

HISTORY OF AFC IN NEW JERSEY

New Jersey's program began in 1992 with two pilot programs funded by the Department of Health. One started through a consortium in Bergen, Essex, Hudson and Passaic Counties and the other started in Camden County. These two initiatives were funded through July 1995 and then refunded through January 1999. In February 1996, New Jersey adopted regulation 8:43B to govern the administration of the program statewide. A Medicaid Waiver was approved January 1, 1996 by the Health Care Financing Administration and implemented July 1, 1996 for individuals who were assessed as needing nursing home level of care and financially eligible for assistance to help pay for the cost of the service. This Waiver was renewed in 1999 and again in 2004.

Since 1996, the Department has issued 13 licenses to nine sponsor agencies to develop and promote AFC in specific geographic areas, including all counties except Sussex and Warren. Enrollment of the Medicaid beneficiaries has been tracked since December 1994 and the program has served a total of 216 individuals through Medicaid. In addition, the program has also served approximately 22 private pay individuals.

Barriers to AFC growth included these facts:

- Until January 2, 2002, a caregiver needed to have a boarding house license in order to care for more than one client. Caregivers were relegated to caring for only one individual, which lessened the financial rewards of caregiving. That discouraged qualified people from becoming caregivers, which reduced the number of available homes and therefore denied eligible seniors suitable non-institutional placements.
- In November 2001, a waiting list for slots (Assisted Living and AFC) was created. This was nearly a fatal blow to the program because AFC could not afford to place a client for up to four or five months until the person received a slot whereas many Assisted Living facilities had the economy of scale that permitted this action. In fact, our records show that the AFC yearly census dropped nearly 50% from its pre-Wait List levels.

- There has been no increase in the per diem reimbursement rate for Sponsor Agencies or caregivers since the approval of the Medicaid Waiver in 1996. This has had a deleterious effect on the retention and recruitment of both Sponsor Agencies and caregivers. Three of the original Sponsor Agencies withdrew from AFC program participation, as they were not able to justify the costs of its administration. In addition, we have heard reports that longstanding caregivers may be forced to withdraw from the program to seek employment that will pay them a living wage. This, of course, would have the negative effect of uprooting the frail elderly from their homes of the past seven to 10 years and institutionalizing them.

CURRENT STATUS OF AFC

- Six licensed sponsor agencies
- 45 Active Medicaid clients and four private pay.
- Regulations expired in February 2001.
- NJ Adult Family Care Act approved January 2, 2002 – Calls for the Department of Health and Senior Services to regulate AFC homes, but not as health care facilities; deems AFC homes to be a permitted use in all residential districts of a municipality; and exempts these homes from most of the regulatory authority of DCA over boarding houses. It also requires the licensing of caregivers and allows up to three residents per home.
- Caregivers earn approximately \$1,300 a month per client placement. This includes \$511.75 per month for room and board from the resident plus payment of \$800 a month for personal care services from the Sponsor Agency.
- Sponsor Agencies earn approximately \$500 a month per client placement.
- Cost effective alternative to institutionalization at \$40 a day Medicaid funding (\$20 State/\$20 Federal) per client.
- Executive Order to grow the program with 100 designated slots.

TIMELINE FOR AFC EXPANSION

TASK	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
Create AFC													
Wkrp	X												
Meet w													
Wkrp to													
strategize													
exp of AFC	X	X	X	X	X	X	X			X			
Hire													
Consultant		X										X	
Review Statute													
re Alternative													
AFC Models	X	X											
Review AFC													
regulations in													
light of statute		X	X	X	X								
Promote AFC													
to Community													
Choice,													
Medicaid													
Supervisors													
and AAA													
Directors		X	X	X		X		X		X		X	
Dev.													
Promotional													
Materials			X	X	X		X						
Consultant													
Speaking													
Engagements				X	X	X	X	X	X	X	X	X	X
Transfer AFC													
video to DVD					X								
PSAs						X		X	X	X	X	X	X
Create Letter													
of Interest for													
County			X										
Distribution													
Suggest													
changes to													
Regs													
Work w AAA						X							
Dir to Promote													
AFC	X			X	X	X							

TIMELINE FOR AFC EXPANSION

TASK	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
County Liaisons meet w Stakeholders to promote AFC				X	X	X	X	X	X	X	X	X	X
Recruit CHSP and SRCP providers as SAs					X		X						
Create a Prov. Operations Manual					X	X	X						
Work with Div LTC Systems to propose Regs.						X	X		X		X		
Promote Medicaid Per Diem Increase		X					X	X					
RFP to Potential AFC SA (if needed)												X	X
Explore possibility of related ctyrs.						X	X						
Add Rel. Ctyrs. As Desired													
Exp. Other AFC models								X	X	X			
Exp. Other AFC Structures										X	X	X	X
Bon/AFC Component										X	X	X	X