

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 1860

SPONSOR: Health, Aging and Long-Term Care Committee and Senator Dawson

SUBJECT: Long-Term Care

DATE: February 27, 2002 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Liem	Wilson	HC	Favorable/CS
2.	_____	_____	ED	_____
3.	_____	_____	AHS	_____
4.	_____	_____	AP	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

Committee Substitute for Senate Bill 1860 requires the Policy Exchange Center on Aging at the University of South Florida (Center) in consultation with the Institute on Urban Policy and Commerce (Institute) at Florida Agricultural and Mechanical University to study the adequacy and availability of affordable assisted living services to minority persons in at least one “Front Porch” community. The Center and the Institute are to work together with state agencies to develop a public-private partnership in at least one Front Porch community to facilitate the development and operation of an affordable assisted living facility. The design is to incorporate certain principles. An advisory group is established, required to meet at least 3 times, and is required to terminate upon submission of the report. Center staff providing support for the advisory group may be reimbursed for travel expenses. The bill appropriates \$100,000 from the Front Porch Communities initiative to the Center.

The bill creates three undesignated sections of law.

II. Present Situation:

Assisted Living

In general, the term “assisted living” is used for facilities that are not licensed as nursing homes, but that provide housing, assistance with activities of daily living, and some nursing care for people who are too frail to live alone, but who are too healthy to need 24-hour nursing care. Assisted living facilities attempt to provide the needed services and supervision in a manner that is as home-like as possible. For frail older persons and adults with disabilities who need some assistance to live independently, or who no longer wish to remain at home, assisted living provides an option for meeting their personal and supportive care needs.

Nationally, the number of assisted living beds is growing at between 15 and 20 percent per year. According to industry estimates, assisted living accounted for 75 percent of the new senior housing constructed in 1998. Since 1992, the number of assisted living beds in Florida has grown from 60,000 to 78,000 beds.

There is considerable variability within the assisted living industry in facility size, pricing patterns, and the level of services provided. Since most assisted living services are privately financed, the nature and characteristics of facilities tend to be a factor of market conditions and consumer preferences, rather than a factor of government policy. There are no federal standards for assisted living, so regulation of assisted living facilities is a state responsibility. In Florida, assisted living facilities are regulated in part III of chapter 400, F.S. All facilities must be licensed, and additional licensure beyond core requirements is available, allowing facilities to provide additional nursing services and to serve more disabled residents. When a resident requires 24-hour nursing supervision, the resident is not allowed to remain in an assisted living facility, unless the resident is terminally ill and additional care is rendered by a hospice. A facility is not required to retain a resident who requires more care than the facility is able to provide.

Affordable Assisted Living

The term “affordable assisted living” typically refers to facilities that provide rental apartment housing combined with supportive services to elderly residents who have incomes at 80 percent or less of the area's median income. Generally, those seniors at the upper end of this range (50 to 80 percent of median income) have enough income to support themselves when healthy, but would spend down their assets quickly if forced by frailty to enter a nursing home. Those at the lower end of this range (under 50 percent) may already qualify for Medicaid, and may currently reside in subsidized housing or in a home that has been paid for. Should this group become frail, they would have few choices other than placement in a nursing home

According to the Florida Association of Homes for the Aging, an assisted living facility costs an average of \$3,000 to \$4,000 per month per resident. Nationally, almost 90 percent of assisted living services are paid for with private funds. Supplemental Security Income (SSI) and other publicly financed programs cover the remaining 10 percent.

Despite “phenomenal growth” in the assisted living industry, “there continues to be a great need for affordable assisted living models,” according to a recent publication from the American Association of Homes and Services for the Aging.

The Institute on Urban Policy and Commerce

The Institute on Urban Policy and Commerce at Florida Agricultural and Mechanical University was commissioned by the Florida Legislature during the 1998 Session with the charge to “develop comprehensive urban strategies and partnerships to address critical social, economic, and physical issues through applied research and training”. The Institute’s mission statement includes these goals:

- To build problem solving relationships between academia and policy-making leaders;

- To address the socioeconomic plight of disadvantaged urban residents;
- To serve as an advocate, to prevent civil unrest and social disorganization.

The Institute argues that urban core communities can play a vital role in “the state’s economic recovery and in the vibrancy of the state’s economic and political stability.” The challenge of delivering long-term care services that are an alternative to institutional placement in these communities is difficult because of the traditional challenges of capital availability and aging building structures. According to some researchers these complexities are then coupled with the lack of expertise of many community or faith-based programs in navigating the housing, financing, Medicaid, Medicare, zoning, and social services bureaucracies.

Urban Distressed Communities

Workforce Florida, Inc., in the Agency for Workforce Innovation, and Enterprise Florida, Inc., in the Department of Management Services, and the Office of Tourism, Trade, and Economic Development in the Executive Office of the Governor, work in conjunction with one another to link economic development and workforce development goals and strategies of the state. The three entities monitor the activities of public-private partnerships and state agencies in order to promote coordinated and consistent implementation of programs relating to: business recruitment, creation, retention and expansion; workforce development; and minority and small business development.

Inherent in the program missions of these entities is the creation, promotion and expansion of urban economic initiatives. Such initiatives typically seek to employ under-utilized urban workforces and distressed community infrastructure in a symbiotic way to enhance employment and improve inner-city physical plant. Such urban re-development initiatives have been successfully utilized by local, state, and federal agencies across the county for the past 40 years.

Urban development is the subject of chapter 290, F.S. Section 290.0058, F.S., describes the tests of whether a community suffers from “general distress” as follows:

- (4) General distress shall be evidenced by describing adverse conditions within the nominated area other than those of pervasive poverty and unemployment. A high incidence of crime, abandoned structures, and deteriorated infrastructure or substantial population decline are examples of appropriate indicators of general distress.

Front Porch Florida

Front Porch Florida is a Governor’s initiative designed to provide assistance in revitalization efforts to grassroots organizations in communities in Florida. Under the initiative, local groups elect “Front Porch Councils” which develop a revitalization plan. The plan serves as the focus for potential assistance to the community by branches of government and private donors.

III. Effect of Proposed Changes:

Section 1. Provides findings regarding difficulties and needs of the elderly; the difficulty of many elderly people in accessing assisted living facility services; barriers to development of affordable assisted living facilities serving low and moderate income frail elders in urban, African American communities; and the need for technical assistance to overcome these barriers.

Section 2. Requires the Policy Exchange Center on Aging, in consultation with the Institute on Urban Policy and Commerce, to study the adequacy and availability of affordable assisted living services to minority persons in at least one Front Porch community in at least one of the following counties; Miami-Dade, Pinellas, Orange, Hillsborough, Duval, and Leon. Specified state agencies are to provide access to needed information to complete the study. The report is due to the Legislature by December 22, 2003.

The Center and the Institute are to work together with state agencies to develop a public-private partnership to facilitate the development and operation of an affordable assisted living facility in a Front Porch community in one or more of the counties of Miami-Dade, Pinellas, Orange, Hillsborough, Duval, and Leon. The design is to include specified principles.

The director of the Center, in consultation with the director of the Institute and the selected Front porch Council, is to appoint an advisory group to assist and guide the study and the public-private partnership development effort. The advisory group is to terminate upon submission of the required report. The advisory group is to include the following members:

- A staff person of the Agency for Health Care Administration appointed by the Secretary;
- The Secretary of Health, or the Secretary's designee;
- The Secretary of Elderly Affairs or the secretary's designee;
- The Secretary of Community Affairs or the Secretary's designee;
- The executive director of the Florida Housing Finance Corporation or the executive director's designee;
- A member from the Florida State Medical Association who has expertise in geriatric medicine;
- A member from a private-sector investment institution or organization;
- A member from a professional trade organization representing assisted living facilities;
- A member from a professional trade organization representing affordable elderly housing facilities; and
- The director of the Real Choice Partnership Project in the office of the Americans with Disabilities Working Group.

The advisory group is to be appointed by September 1, 2002, and shall have its first meeting no later than October 1, 2002. The advisory group is to meet at least three times before submitting the report. The Center is to provide staff support for the advisory group and may reimburse travel expenses for such staff in accordance with s. 112.061, F.S.

Section 3. Appropriates \$100,000 to the Center from the Front Porch Florida Initiative to fund the study on affordable assisted living services for minority persons provided for in the bill.

Section 4. Provides an effective date of July 1, 2002.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The provisions of this bill have no impact on municipalities and the counties under the requirements of Art. VII, s. 18 of the Florida Constitution.

B. Public Records/Open Meetings Issues:

The provisions of this bill have no impact on public records or open meetings issues under the requirements of Art. I, s. 24(a) and (b) of the Florida Constitution.

C. Trust Funds Restrictions:

The provisions of this bill have no impact on the trust fund restrictions under the requirements of Art. III, s. 19(f) of the Florida Constitution.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill may assist areas designated as Front Porch Communities in developing assisted living facilities in underserved urban areas.

C. Government Sector Impact:

The bill appropriates \$100,000 from the Front Porch Florida Initiative to the Policy Exchange Center on Aging at the University of South Florida.

VI. Technical Deficiencies:

Section 2 of the bill contains requirements which should be clarified. Subsection (1) directs the Center to perform the required study, however, state agencies are required to provide access to information to the Institute, and the Institute is required to submit the study. In subsection (2), the word "departments" is used, however the departments which are required to participate in developing the public-private partnerships are not named. The departments should be specified. The entities and the public-private partnership are required to include certain principles in their design of an affordable assisted living facility; the entities referred to should be specified. In subsection (3) there is a requirement for consultation with the Selected Front Porch Council; the basis for selecting this council should be defined.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
