

Auxiliary Funding in Assisted Living Settings

Assisted living settings, some of which may be referred to informally as “board and care” facilities, may be appropriate for some people experiencing unsheltered homelessness who have serious behavioral health conditions, if they require assistance with activities of daily living (ADLs), or have severe cognitive impairment. Assisted living settings are not permitted to serve people whose primary need is acute psychiatric care due to a mental disorder,¹ but they can be a useful Behavioral Health Bridge Housing (BHBH) program support strategy for people who need around-the-clock nonmedical care and have a serious behavioral health condition.

How does the BHBH Program define “assisted living setting”?

Assisted living settings, for purposes of the BHBH program, are licensed board and care facilities willing to serve an individual who is exiting homelessness, has a serious behavioral health condition, and needs around-the-clock nonmedical care. Assisted living settings include Adult Residential Facilities (ARFs) and Residential Care Facilities for the Elderly (RCFEs), which provide 24/7 nonmedical care to people who require it due to cognitive impairment or inability to perform ADLs, along with room and board. Assisted living settings are licensed by the Department of Social Services.

In California, some ARFs or RCFEs primarily serve individuals with behavioral health conditions who have severe cognitive impairment or cannot perform ADLs without assistance. However, in recent years there has been a considerable decrease in beds due to facility closures. In San Francisco alone, the number of assisted living facilities for seniors and adults with disabilities dropped 38 percent between 2012 and 2021. Small facilities serving low-income residents were hardest hit, which may make them more difficult to find and use for bridge housing purposes.²

What is auxiliary funding in an assisted living setting?

Auxiliary funding to an assisted living facility supports the successful placement of people who need licensed care. Some county behavioral health agencies have paid auxiliary funds to board and care facilities to close their cost gaps. Auxiliary funds are often referred to as “patches,” “augmentations,” and “supplementals.” By supporting operations, auxiliary funds help ensure that beds remain available to those served by county behavioral health agencies. Board and care patches do *not* pay bed rates. Instead, they fill funding gaps to enable these facilities to accept and serve people with serious behavioral health needs.

¹ [California Code of Regulations, Tit. 22, § 85068.4](#), Acceptance and Retention Limitations.

² Moench, Mallory (May 11, 2021). [S.F. is rapidly losing care facilities for the mentally ill and elderly](#). But a plan to save them is promising. San Francisco Chronicle. Accessed online 3.29.2023.

Why is auxiliary funding needed?

Because ARFs and RCFEs primarily serve people with disabilities who qualify for Supplemental Security Insurance (SSI), they typically charge a monthly fee that factors in SSI levels (including state supplements) and is subject to change year to year. At these rates, many board and care facilities struggle to afford the cost of meeting the 24/7 needs of operating these facilities with California's high costs of living and inflation.

What are the BHBH-specific considerations for assisted living settings?

1. Assisted living is not appropriate for all people who are experiencing unsheltered homelessness and who have serious behavioral health conditions, but it may be appropriate for individuals who need assistance with ADLs or who have severe cognitive impairment.
2. Board and care facilities traditionally provide longer-term solutions, so it will be important to provide transition supports for residents, coupled with proactive housing navigation, to help them move to a less restrictive setting when appropriate and to ensure they have access to safe, sustainable housing after the BHBH Program ends.
3. Title II of the Americans with Disabilities Act, as affirmed by the U.S. Supreme Court in *Olmstead v. L.C.* (1999), requires states to provide services to individuals with disabilities in the most integrated setting appropriate to their needs. Therefore, individuals should remain in assisted living facilities only as long as they are unable to maintain housing without around-the-clock care.
4. While BHBH can help bridge gaps in funding by supporting appropriate placement in assisted living settings, these funds must not supplant, replace, or be used in lieu of existing funding sources.
5. County BHAs are required to maximize all other available funding sources, including Medi-Cal, to capture federal match when applicable.

Resources

- California Department of Aging (2023). [Assisted Living Facilities](#).
- Community Care Licensing Division, California Department of Social Services (2023). [Facility Search Welcome Page](#).
- California Advocates for Nursing Home Reform (2022). [RCFEs: Evaluation Checklist](#).
- California Behavioral Health Planning Council (2018). [Adult Residential Facilities \(ARFs\)](#).