REPORT OF THE

OFFICE OF THE AUDITOR GENERAL

TO THE

JOINT LEGISLATIVE AUDIT COMMITTEE

275.3

LACK OF A PLANNED, INTEGRATED SYSTEM OF SERVICES FOR THE ELDERLY

Health and Welfare Agency

DECEMBER 1977

Joint Legislative Audit Committee

OFFICE OF THE AUDITOR GENERAL

California Legislature

MIKE CULLEN
CHAIRMAN

December 30, 1977

The Honorable Speaker of the Assembly
The Honorable President pro Tempore of the Senate
The Honorable Members of the Senateand the
Assembly of the Legislature of California

Members of the Legislature:

Your Joint Legislative Audit Committee respectfully submits the Auditor General's report on the need for a planned, integrated system of services for the elderly citizens of California.

Current identifiable costs attributable to services for the elderly were about $690 million in fiscal year 1976-77. Administrative costs in many agencies providing casual services to the elderly are not apportional so as to be included in the overall total cost to the taxpayers. The Governor has the power and should exercise the responsibility of coordinating the myriad programs to insure effectiveness, efficiency and economy.

By copy of this letter, the Health and Welfare Agency is requested to advise the Joint Legislative Audit Committee within sixty days of the status of implementation of the recommendations of the Auditor General that are within the statutory authority of the Agency.

The auditors are Harold L. Turner, Audit Manager; Robert E. Christophel and Thomas P. Callanan.

Respectfully submitted,

MIKE CULLEN
Chairman

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SUMMARY

We were requested by the Joint Legislative Audit Committee to review the continuum of long-term care and supportive services available to the elderly population of California.

A planned, integrated system of services for the elderly does not yet exist in California. Without such a system it is impossible to assure that unnecessary or premature institutionalization of the elderly will not occur.

Some of the conditions that point to this lack of a planned, integrated system of services are:

- The limited number of intermediate care beds
- The manner in which construction of additional nursing homes is planned
- The limited use of in-home health services
- Diffused responsibility for delivering services to the elderly
- The lack of consolidated information on the needs of and services provided to the elderly.

To provide a planned, integrated services delivery system, we recommend that the Governor direct the Health and Welfare Agency to require a statewide identification of the needs of the low-income elderly population (see page 17). This identification of needs would be the first step toward developing a comprehensive system of long-term care and supportive services for the elderly.

INTRODUCTION

In response to a resolution of the Joint Legislative Audit Committee, California Legislature, we have reviewed the long-term health care and supportive services programs available to the elderly. This review was conducted under the authority vested in the Office of the Auditor General by Section 10527 of the Government Code.

This is the last in a current series of reports addressing the issue of long-term care for the elderly. Report Number 275.1, Long-Term Care for the Aged (Part One), An Overview and Medi-Cal Reimbursement for Skilled Nursing Care, was released in January 1977. Report Number 275.2, Deficiencies in Monitoring and Enforcing Quality of Care to Nursing Home Patients was released in October 1977.

Population Served

This report focuses on the long-term care and supportive services available to the elderly who might be prematurely or unnecessarily institutionalized if the services were not provided. Low income, physical or psychological impairment or social isolation contribute to premature or unnecessary institutionalization. The Department of Aging estimates that in 1975 there were approximately 312,000 low-income elderly, aged 65 and over in California. Low-income, as defined by the Federal Government's poverty index, is an annual income below $2,572. By the year 2000 we estimate that there will be approximately 470,000 Californians in this category.

Continuum of Care

The State of California is authorized through a number of federal and state funded programs to provide a broad spectrum of long-term care and supportive services to the elderly. Table 1 identifies the major programs and services available in California. The programs and services range from minimal in-home supportive services to intensive acute hospital care. A description of these programs and services is presented in Appendix A of this report.

Responsible Agencies

The Department of Aging is responsible for coordinating and assisting public and nonprofit private agencies in planning and developing programs for older persons, with a view toward establishing a statewide network of comprehensive, coordinated services and opportunities for such persons.

The Department of Health has primary responsibility for administering long-term care and supportive services under Title XIX (Medi-Cal) and Title XX (Social Services) of the Social Security Act, as amended.

As a consequence of recently enacted legislation, the social services programs will be transferred from the Department of Health to the new Department of Social Services in July 1978. Table 2 on page 13 of this report shows the major agencies responsible for providing health care and supportive services to the elderly in California.

TABLE I

HEALTH CARE AND SUPPORTIVE SERVICES
FUNDED OR ADMINISTERED BY STATE AGENCIES
AVAILABLE TO ELDERLY RECIPIENTS OF PUBLIC ASSISTANCE

Program	Responsible Agency	Estimated Program Cost FY 1976-77	Funding Source
Coordinated Social Services	Department of Aging	$ 10,711,665	Title III, Older Americans Act
Nutrition Services	Department of Aging	18,083,775	Title VII, Older Americans Act
Public Health Nursing Services to the Aged	Department of Health Public Health Division	1,521,800	State and County Funds
In-Home Supportive Services	Department of Health Social Services Division	112,800,000	Title XX (Social Services), Social Security Act and State Funds
Home Health Agency Services	Department of Health Medi-Cal Division	1,949,300	Title XIX (Medi-Cal), Social Security Act and State Funds
Adult Day Health Care	Department of Health Alternative Health Systems	338,400	Title XIX, Social Security Act and State Funds
Residential Care Homes	Department of Health Licensing and Certification Division	69,768,000	Title XVI (Supplemental Security Income--Supplemental Payment), Social Security Act and State Funds
Intermediate Care Facilities	Department of Health Licensing and Certification Division	22,384,400	Title XIX, Social Security Act and State Funds
Skilled Nursing Facilities	Department of Health Licensing and Certification Division	404,066,400	Title XVIII, Social Security Act Title XIX, Social Security Act and State Funds
Physicians' services, outpatient hospital and other necessary services (Part B Medicare)	Department of Health Medi-Cal Division	47,264,000	Title XIX, Social Security Act and State Funds

Study Scope

This report identifies the lack of a planned, integrated system to deliver health care and supportive services to California's elderly. We interviewed the directors and numerous employees of state agencies responsible for providing long-term care and supportive services to the elderly, advocate groups and appropriate legislative consultants to determine the problems involved in providing such a continuum of care.

STUDY RESULTS

LACK OF A COORDINATED SYSTEM TO DELIVER NEEDED SERVICES TO THE ELDERLY

The various levels of care available to California's elderly are inadequately coordinated. For example, there are persons in skilled nursing facilities who could possibly be in intermediate or residential care or in their own home with appropriate supportive services. This situation results from the lack of a broad, comprehensive statewide identification of the overall needs of California's elderly.

State law* mandates the Department of Aging to "coordinate and assist in the planning and development by public and nonprofit private agencies of programs for older persons with a view to establishing a statewide network of comprehensive, coordinated services and opportunities for such persons." Further, the Health and Safety Code** requires that the "state department (Health) . . . maintain a program to promote availability of medical and health care for the aging."

Also, the objective of Title III of the Older Americans Act is to develop at the community level a system of coordinated and comprehensive services for the elderly--services which will enable older persons to live in their own homes or other places of residence as long as possible.

* Welfare and Institutions Code, Section 9306(b).

** Health and Safety Code, Section 429.60.

Despite these mandates, an undetermined number of elderly persons may be unnecessarily institutionalized. Available services do not meet the needs of the elderly partially because:

- The number of intermediate care beds is limited
- Planning for new nursing homes is inadequate
- Use of in-home health services is limited
- Responsibility for delivering services to the elderly is distributed among multiple agencies and is not coordinated
- Information on the needs of and services provided to the elderly is not consolidated.

Limited Number of Intermediate Care Beds

In June 1977, the Auditor General requested the Director of the Department of Health to furnish information regarding significant steps the Department had taken on policy affecting the elderly. The Director made four basic programatic recommendations (See Appendix B). One of these recommendations referred to the two functions served by nursing homes:

> The study group found that, at any one point, 10-20% of the nursing home population is a true convalescent population. These patients are recovering from an illness or injury and will be discharged within 3 months of admission. 80-90% of the population, however, are "residential patients", people who need long-term care and supervision. Their primary service needs are the activities of daily living, such as bathing, eating, and dressing.

The study group (Department of Health's Services to the Elderly Task Force) recommended that the 80 to 90 percent of skilled nursing patients receive intermediate rather than skilled nursing care. Intermediate care is a lower level of care, providing intermittent rather than continuous skilled nursing care.

According to the Medi-Cal Monthly Management Report of the Department of Health, there were 14 skilled nursing patients to every intermediate care patient in California in fiscal year 1976-77. The national ratio of skilled nursing patients to intermediate care patients was approximately one to one in 1974.

Inadequate Planning for New Nursing Homes

The Office of Statewide Health Planning and Development (OSHPD) is responsible for authorizing the construction of new nursing homes and the addition of beds at existing facilities. The OSHPD formulates objectives for health resources, and the 14 local health systems agencies assist the OSHPD in determining the need for new institutional health services.

An objective of OSHPD is to:

> Reduce the current inappropriate utilization of skilled nursing service through the provision of services such as intermediate care, community care, adult day health, home health, homemaker, and chore services which may serve as less costly alternatives or substitutes for inpatient care.

Another objective concerning nursing home construction projects future needs on present utilization:

> Each service area shall by 1983 have a number of skilled nursing beds with a capacity to provide 1976 patient days for skilled nursing care times the ratio of 1983 population to 1976 population.

This results in planning future nursing home construction based on current utilization levels which are inappropriate. The same two objectives are set forth for intermediate care facililties.

The Director of the Office of Statewide Health Planning and Development told us that nursing home construction has decreased in the last year. During calendar year 1977 skilled nursing homes have approached full bed capacity. Either alternatives to nursing homes must be found or nursing home construction in California will have to increase substantially.

In our opinion, effective program management dictates that an assessment and identification of the needs of the elderly population should be made prior to developing plans for construction of additional skilled nursing facilities.

Limited Use of In-Home Health Services

Sections 51217 and 51337 of Title 22 of the California Administrative Code specify the conditions under which Medi-Cal will authorize the services of a home health agency. A home health aide provides services oriented toward personal care needs such as bathing, grooming, feeding and assistance in ambulation. Although this care does

not require a registered or licensed vocational nurse, these personal care services may be needed by some elderly persons in order to avoid institutionalization. Presently, California restricts home health aide services to only those patients who need skilled nursing services.

The Commissioner for Medical Services Administration of the U. S. Department of Health, Education, and Welfare (HEW) stated that a policy authorizing home health aides to only those who need skilled nursing care is not in compliance with federal Medicaid regulations. The Commissioner explained that "Home health is an appropriate alternative to unnecessary institutionalization and all levels of care are required to implement proper care and placement" and ". . . if a patient requires only home health aide services, he is entitled to those services without respect to the need for skilled services."

A State Department of Health report shows that 1,651 persons were receiving home health agency services in June 1977. This is in comparison with the estimated 65,850 patients who resided in skilled nursing and intermediate care facilities at that time.

If patients inappropriately placed in skilled nursing facilities were released to an independent living arrangement and provided in-home health services, the present home health caseloads could increase dramatically. Three health providers believe that authorization of in-home health aides for patients who do not need skilled nursing services in the home could increase home health provider agency caseloads by approximately 90 percent.

In-home supportive services (which are nonmedical), funded under Title XX (Social Services) of the Social Security Act, are used more extensively than in-home health services. The estimated total cost of the In-Home Supportive Services Program for fiscal year 1976-77 was $112.8 million. The cost of Home Health Agency Services for the same year was $1.9 million. We conducted a review of in-home supportive services in December 1977.*

Responsibility for Delivering Services to the Elderly is Distributed Among Multiple Agencies and Is Not Coordinated

We have identified some of the state agencies responsible for providing long-term care and supportive services to the elderly. Legislative committees and advocate groups are also concerned with programs and services that meet the needs of the elderly. Table 2 on the following page is a partial list of the organizations concerned with providing services to the elderly.

* Report Number 733, An Updated Review of the In-Home Supportive Services Program, December 1977.

TABLE 2

STATE AGENCIES AND ORGANIZATIONS
CONCERNED WITH HEALTH CARE AND
SUPPORTIVE SERVICES FOR THE ELDERLY*

Office of Long-Term Care--
Federal Department of Health, Education, and Welfare

Health and Welfare Agency

- Department of Health
  - Office of Statewide Health Planning and Development
  - Licensing and Certification Division
  - Treatment Services Division
  - In-Home Supportive Services Branch
  - Medi-Cal Field Services
  - Center for Health Statistics
  - Policy Development and Review Section
  - Medi-Cal Program Policy Branch
  - Office of Planning and Program Analysis
  - Preventive Medical Services Branch
  - Alternative Health Services Division
- Department of Benefit Payments
  - State Benefits and Services Advisory Board
- Department of Aging
- Department of Rehabilitation

Business and Transportation Agency

- Department of Housing and Community Development
- Department of Transportation

Agriculture and Services Agency

- Department of Consumer Affairs
- Department of Food and Agriculture

Department of Education

Department of Finance

Other Governmental Resources

- County Welfare Departments
- Legislative Budget Office
- Assembly Special Subcommittee on Aging
- Committee on Human Resources
- California Commission on Aging
- County Welfare Directors Association
- California Health Facilities Commission
- Attorney General
- Governor's Office of Planning and Research

Advocate Groups

- Center for Independent Living
- Gray Panthers
- Citizens' Action League
- National Council of Senior Citizens
- American Association of Retired Persons
- National Retired Teachers Association
- California Association of Adult Day Health Services
- California Association of Health Services at Home
- California Association of Homes for the Aging
- California Association of Health Facilities
- California Association of Residential Care Homes

USC School of Gerontology

* Includes agencies and organizations that we identified as having concern with health care and supportive services for the elderly. Others may exist.

Each of these state agencies is responsible for meeting one or more of the many needs of the elderly; however, elderly persons derive only limited benefit from such services unless they are part of a comprehensive system responsive to their other needs as well.

In an address to the New York Academy of Medicine, a professor of Social Administration from the University of Pennsylvania School of Medicine illustrated the need for integrating health and social services for the elderly:

> (Consider) The elderly patient in reasonably good physical health but with serious confusion, memory loss, and disorientation as to time and place, living alone, with occasional visits from family and neighbors, deteriorating nutritionally and mentally. Health problem? Housing problem? Personal-care problem? Food-service problem?

Another example of the diffused responsibility for the elderly concerns residential care. The Director of the Department of Health recognizes that residential care is an important alternative to nursing homes, but augmentation of residential care for the elderly is more directly related to housing policies than to health policies. (Reference Appendix B.) Further, the Department of Aging is mandated to integrate health and social programs for the elderly. However, that Department has no authority over health-related programs, such as nursing home care, in-home health services or public health nursing services.

The Health and Welfare Agency, through the Departments of Aging, Benefit Payments and Health, is responsible for administering most of the long-term care and supportive services programs for the elderly. Other departments, such as Agriculture, Education and Transportation have programs which also concern the elderly.

Assembly Bill 998, Chapter 1199, enacted in 1977, established pilot projects to integrate the social, economic and health services necessary to maintain elderly persons in an appropriate level of care. In our opinion, an integrated system to comprehensively deliver services to the elderly also requires coordination among all agencies providing related services. The State of Hawaii has implemented such a system:

> It shall be the duty and responsibility of every state department and county agency providing programs and services to the aging, in actively working toward the goals and objectives articulated in the state comprehensive master plan for the elderly, to coordinate with the executive office on aging the development of its program plans and clear its final plans with the office prior to implementation of such plans.

In our opinion, Hawaii's program appears to offer an effective means of coordinating the delivery of services to the elderly among multiple agencies.

There is No Consolidated Information on the Needs of and Services Provided to the Elderly

There is no consolidated information base related to the long-term care and supportive services provided to the elderly. The Department of Aging, through its area agencies on aging, has collected

data related to the elderly and has assessed certain needs at the local level. The Department of Benefit Payments accumulates financial and caseload information on Social Security Income--State Supplemental Payment clients. The Department of Health reports Title XIX (Medi-Cal) and Title XX (Social Services) program usage data. However, there is no evidence that this information is consolidated to provide an integrated system of information.

We determined that there is no information available on whether people entering nursing homes could have received health or supportive services that may have prevented their institutionalization. Further, there is no statistical information on how many patients leave nursing homes to return to their own homes with or without the help of in-home health or supportive services. Such information could indicate whether supportive or health services had been used to prevent institutionalization and whether these services were used to assist the elderly to return to less intensive levels of care.

CONCLUSION

There has been no broad-based statewide identification of the health and social services needs of the elderly eligible for public assistance. Such an identification of needs is a prerequisite for the development of a planned, integrated system to deliver such services.

The needs of the elderly must be identified before a comprehensive system for long-term care and supportive services can be developed.

RECOMMENDATION

We recommend that the Governor direct the Secretary of the Health and Welfare Agency to ensure that the needs of the elderly are appropriately identified.

Possible Implementation Methodology:

To meet the recommended legislative mandate, the Secretary of the Health and Welfare Agency could consider the following:

(1) Perform a statewide identification of needs of the low-income elderly. Such an identification should include an evaluation of the elderly population's health, housing, social, economic, nutritional and transportation needs, both current and projected. Identification of needs would provide the information necessary to formulate a plan to ensure that California provides a system of services geared to the needs of the elderly.

To be effective, the needs identification should be performed by a multidisciplinary team. This team should include representatives from all agencies, both public and private, involved in providing care and services to the elderly, to ensure that a full spectrum of services is considered.

Health care and social worker technicians, statisticians and accountants should be included as consultants to the team that is selected to perform the needs assessment.

The overall direction of the multidisciplinary team performing the identification of needs could be the responsibility of one of the following:

- A special commission, appointed by the Governor
- The California Commission on Aging
- A special task force reporting directly to the Secretary of the Health and Welfare Agency
- The Department of Health
- The Department of Aging.

(2) Develop a comprehensive program to match the needs of the elderly population with appropriate levels of care. As part of this program, the State should identify and

integrate the funding resources available to assure the statewide delivery of health care and supportive services.

(3) Implement a comprehensive services delivery system based upon the prior identification of service needs.

(4) Periodically monitor and amend the services delivery system using the comprehensive base of program information to assure that a continuum of care is available to meet the changing needs of the elderly.

NOTE: Representatives from the Office of Long-Term Care of the U. S. Department of Health, Education, and Welfare indicated that it is possible that federal funds to finance a portion of the development of such a system would be available.

BENEFITS

Identifying the needs of the elderly would be the first step toward:

- Enabling the State to provide a comprehensive services delivery system which will assure that the elderly receive health care and supportive services commensurate with their needs

- Providing information to make broad based policy and program decisions regarding the services provided to California's elderly

- Defining the components of a continuum of care to assure that elderly Californians are provided the opportunity to remain in their own homes or receive the level of care appropriate to their needs.

OTHER PERTINENT INFORMATION

Innovative Care Systems

Other localities and states have attempted to develop innovative care systems for the elderly. While we have not assessed their effectiveness, it is noteworthy that positive steps are being taken. Two requisites of these projects are a thorough assessment of the individual's needs and an integrated services delivery system that is responsive to these needs. The programs include:

- Long Beach Geriatric Health Care System
- Pennsylvania--Integrated Funding for State Unit on Aging Programs
- Connecticut--Project Triage
- New York--Assessment of Medicaid clients.

Long Beach Geriatric Health Care System

The Long Beach Geriatric Health Care System is designed to coordinate and improve needed social and health services for the elderly. Its goal is to provide more accessible health care to older citizens in the City of Long Beach who are not now being served by the existing health delivery system. The program is scheduled for implementation early in 1978.

The system improves existing health care and social services by pooling resources, avoiding duplication, and fostering coordination and cooperation among major providers for the collective good of elderly consumers.

Older persons entering the system will be eligible for a social assessment which will attempt to identify their individual needs and resources. The assessment will provide information that will be used to create a needs inventory. For example, an older client, who has a private physician and is in need of home help will be able to discuss his or her problem and alternative solutions. The assessment will concentrate on identifying family or community resources or any other services the individual might use.

Pennsylvania--Integrated Funding for State Unit on Aging Programs

Effective in 1975, Pennsylvania's State Unit on Aging implemented a system for integrating the funding for its various programs. Each area agency on aging submits a plan to the State Unit on Aging for the funds needed to provide services to the elderly. Titles III and VII of the Older Americans Act, Title XX of the Social Security Act and state appropriations are then integrated and appropriated in one contract to each area agency on aging.

Pennsylvania State Unit on Aging officials state that this program augments the authority of its area agencies on aging as community based agencies under county sponsorship, and reduces administrative cost and paperwork at both the state and local levels.

Connecticut--Project Triage

The Triage Project was implemented in 1974 to perform a comprehensive assessment of health, social and supportive services for the elderly.

After a referral has been made to Triage, a geriatric nurse clinician visits the client in his or her home to assess the individual's specific needs and decide which care plan is appropriate.

The person's complete health and social history is recorded, including an evaluation of housing, transportation, finances, nutritional status and other social needs. This assessment documents the person's physical, mental and social needs to assist in planning appropriate services. The nurse clinician also performs a modified physical examination of the client.

The nurse clinician works as a team with a social caseworker. Once the assessment is completed, a problem list prepared and a care plan developed, the team arranges for the services to be provided. The scope of services provided for the client by contract

or referral includes, but is not limited to, home health aide services homemaker services, nurse or physician visits, psychological and family counseling, transportation, home-delivered meals, chore service, companionship service, hospital care, dental care, financial counseling, etc.

Since August 1, 1975, Medicare Trust Funds have been available to pay for nurse clinician approved services. The Secretary of HEW awarded a waiver under Section 222 of Public Law 92-603 which allowed this funding arrangement.

New York StateAssessment
of Long-Term Care Patients

The New York State Departments of Health and Mental Hygiene introduced an assessment system to evaluate the health status and needs of patients in skilled nursing, intermediate care and acute care facilities awaiting long-term care placement.

Using this assessment system, the New York Department of Health surveyed 12,000 patients in 80 skilled nursing and intermediate care facilities. The survey concluded that 25 percent of the skilled nursing patients should have been in intermediate care facilities. Further, a study of patients in intermediate care facilities concluded that 33 percent of them could be cared for in a residential care facility. It was projected that the State would save $25.5 million annually as a result of these changes.

The assessment system, which lends itself to computer programming, could provide the New York Office of Health Planning with profiles of the skilled nursing and intermediate care patients every three to six months.

Current Legislation

The Legislature and the Executive Branch have demonstrated their intention of encouraging alternatives to nursing homes for the elderly through the following legislation approved during 1977.

Assembly Bill 998, Chapter 1199, mandates the Health and Welfare Agency to formulate criteria for pilot multipurpose senior services projects. These criteria include specifications for a socio-medical team to evaluate older persons and to assure that a continuum of social, economic and health services are provided to maintain such persons at the appropriate level of care. The costs of services required will be compared with the costs of services for persons who have not received services as components of a continuum of care program.

Assembly Bill 1610, Chapter 211, expanded a program of public health nursing services to the aged by including city health agencies as contracting parties. Public health nursing services, provided at housing facilities and senior centers, were originally authorized in 1973. Legislation in 1975 expanded the program statewide. Some of the reported program accomplishments are prevention of blindness through early identification of glaucoma and prevention of heart attacks and strokes through the control of high blood pressure.

Assembly Bill 1611, Chapter 1066, established adult day health care, previously an experimental project, as a benefit under the Medi-Cal program, effective January 1, 1978. Presently, three counties have adult day health centers--San Diego, Sacramento and San Francisco, all of which began as experimental projects. A description of adult day health care appears on page A-3 of Appendix A.

Respectfully submitted,

Thomas W. Hayes for

JOHN H. WILLIAMS
Auditor General

December 27, 1977

Staff: Harold L. Turner, Audit Manager
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December 27, 1977

Mr. John H. Williams
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Dear Mr. Williams:

We have had an opportunity to review your recently completed report entitled "Lack of a Planned, Integrated System of Services for the Elderly".

In the light that it sets an agenda for future combined actions of the legislative and executive branches in developing a coordinated system of services to the elderly, the report has our full support.

As you know, this Agency and the Departments of Aging and Health are preparing for the implementation of Assembly Bills 998, 1611 and 1612 which become effective on January 1, 1978. Although these bills will give valuable assistance in developing multi-service centers, day care facilities, and other needed services, there is still a need for a long-range strategy in meeting the ever growing requirements of the elderly. We will be working jointly with the legislative leadership in developing these alternatives.

Thank you for giving us an opportunity to review this report.

Sincerely,

MARIO G. OBLEDO
Secretary

SUMMARY OF THE LONG-TERM HEALTH CARE AND SUPPORTIVE SERVICES AVAILABLE TO THE ELDERLY

The State of California is authorized through a number of federal and state-funded programs to provide a broad spectrum of long-term care and supportive services for the elderly. A brief description of some of the services available to the elderly follows:

- The California Department of Aging is responsible for administering Older Americans Act monies to develop a comprehensive community-based health and social services system for older Californians to foster independent living. Two major Department of Aging projects are:

  - Title III coordinated social services include transportation, information and referral and legal services

  - Title VII nutrition services are designed to provide nutrition services such as "Meals on Wheels" and "Congregate Meal Sites."

- The California Department of Health is responsible for administering Medi-Cal and Social Services monies to provide health care and social services to the elderly. Some of the major Department of Health programs include:

- Public Health Nursing Services to the Aged include screening, health education and individual counseling, which are performed at senior centers.

- In-Home Supportive Services, formerly known as homemaker-chore services, include but are not limited to household cleaning, essential shopping, cooking, laundry and nonmedical personal care such as assistance with personal hygiene.

- Home Health Agency Services include part-time or intermittent nursing care by or under the supervision of a registered nurse. Other services may include physical, occupational, special therapy, or home health aide services. All of these services must be provided to the extent and duration prescribed by a physician.

- Adult Day Health Care Centers refer to organized programs of therapeutic activities offered during the day in a protective group setting, which offer individualized plans of care designed to maintain persons or restore them to optimal capability for self care.

- Residential Care Homes provide nonmedical services such as room and board, assistance with personal hygiene, and guidance in recreational activities.

STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

EDMUND G. BROWN JR., Governor

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June 30, 1977

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Dear Mr. Williams:

In your letter of June 3, 1977, you requested information for your review of services to the elderly. Specifically, you asked for details on the significant steps this Department has taken in the last 14 months regarding policy affecting the elderly. I have summarized our actions below.

Following the letter to Senator Arlen Gregorio in March, 1976, the Department appointed a task group to study services to the elderly. The group was charged to survey programs serving elderly clients, to determine what major problems existed in the current pattern of services, and to recommend specific policy and program changes to remedy these problems. The report of the task group was completed in February, 1977. I have enclosed a copy for your review.

The report makes four basic programmatic recommendations to avoid unnecessary social isolation and dependency on institutional care, and to improve the delivery of medical care for the elderly. In brief, these are:

1. Increase the availability of residential alternatives to the elderly. Our task group found that the majority of people in nursing homes were using them primarily as residential facilities that provided extensive personal care and supervision. Most nursing home clients lived alone prior to admission. On the other hand, a very different life pattern emerges from the experience of elderly people who, at an earlier point, chose to live in a residential environment which fostered the development of a social network. These people tend to use nursing homes less, and when they do, they are more likely to use them as short-term convalescent facilities, after acute medical episodes. In addition, we found that there is a severe shortage of this kind of residential alternative for the elderly. Existing facilities often have 3-5 year waiting lists. Since increasing the availability of these facilities can have the effect of reducing avoidable nursing home placement, it is clearly in the public interest to encourage their growth and construction. However, both the responsibility and authority for implementing this recommendation is in the realm of housing policy rather than health policy.

The report outlines suggested actions that could be taken by the Assembly Committee on Housing and Community Development, State Housing Finance Agency, and the Department of Benefit Payments to effect this recommendation.

2. Increase in-home and community-based programs that can serve in lieu of nursing home placement. As you know, the Department is working to establish adult day health care as a Medi-Cal benefit. Adult day health services allow elderly clients to remain living in their own homes and communities, while receiving health, social, and other services that they need. Implementing this program statewide will foster the Department's goal of reducing unnecessary institutionalization.

   In addition, the Department has recently established Public Health Nursing For The Aged, a health screening program. The pilot phase of this project was successful in achieving early identification, referral, and treatment of disabling conditions in the elderly. We hope that statewide implementation of this program will help elderly clients get treatment for diseases and conditions before they become so severe to merit nursing home placement.

3. Model a service delivery system at the local level that emphasizes these in-home and community-based services as alternatives to nursing homes. The Department of Health is willing to work with the Department of Aging to test an integrated service system for the elderly. AB 1741 proposes that pilot projects be established to do this. Furthermore, the bill proposes that a monitoring and evaluation function be a part of the pilot program operation. If the bill passes, the Department will have the opportunity to test service system design and to evaluate what impact it can have on nursing home placements.

4. Medi-Cal regulations, licensing standards, and reimbursement rates should distinguish between the two functions now served by nursing homes: the relatively short-term convalescent hospital and the long-term medical/residential facility. The study group found that, at any one point, 10-20% of the nursing home population is a true convalescent population. These patients are recovering from an illness or injury and will be discharged within 3 months of admission. 80-90% of the population, however, are "residential patients", people who need long-term care and supervision. Their primary service needs are the activities of daily living, such as bathing, eating, and dressing. The Department is currently revising the Medi-Cal criteria for nursing home placement based on this distinction among patients. This will have the effect of providing a subacute level of care for convalescent patients, and will stress the

provision of those medical and rehabilitative services and skilled nursing care appropriate to this subgroup of the patient population.

Please let me know if you require any additional information.

Sincerely,

Jerome A. Lackner, M.D.
Director of Health

Enclosure

cc: Members of the Legislature
Office of the Governor
Office of the Lieutenant Governor
Secretary of State
State Controller
State Treasurer
Legislative Analyst
Director of Finance
Assembly Office of Research
Senate Office of Research
Assembly Majority/Minority Consultants
Senate Majority/Minority Consultants
California State Department Heads
Capitol Press Corps