



Affordable Assisted Living Roadmap

- 1. Idea/Concept**
- 2. Research affordable assisted living** (Iowa code and regulations)
 - A. Obtain certification packet from Iowa Department of Inspections and Appeals
 - B. Evaluate operational revenue options (Medicaid waiver, rent subsidy)
 - C. Discuss concept with Iowa Finance Authority staff
- 3. Needs Assessment**
 - A. Hold community meetings to educate on concept and build consensus
 - B. Decide if you will use a developer or do the work yourself
 - C. Obtain predevelopment funding or use private funds
 - D. Conduct needs assessment survey or use another form of data gathering
 - E. Conduct market analysis
- 4. Establish Preliminary Plan**
 - A. Select site
 - B. Prepare preliminary architectural drawings, site preparation estimates, etc.
 - C. Establish preliminary budgets—development costs and operating and income projections
 - D. Identify potential residents, e.g., seniors, disabled, specialized dementia, etc.
 - E. Explore staffing potential/options
- 5. Build Community Support**
 - A. Hold ongoing community meetings throughout the process to keep community members informed of the process and garner their support
 - B. Work with community leadership, city and county government to arrange favorable economic development incentives such as donations of land, tax abatements, etc.
 - C. Meet with county assessor to discuss future assessment of property, explain concept of assisted living (housing with services)
- 6. Obtain Development Funding**
 - A. Write grant and/or loan applications
 - B. Use multiple funding sources
 - C. Secure funding package
- 7. Construction**
 - A. Prior to construction or conversion, submit structural, plumbing, electrical and mechanical drawings from an Iowa-certified architect and engineer to Iowa Department of Inspections and Appeals for review and approval
 - B. Hire contractor; encourage use of local labor whenever possible
 - C. Begin construction; submit sprinkler, fire alarm, and strobe drawings when as-built plans are available from subcontractors
 - D. Code compliance

1. Federal Codes
 - Americans with Disabilities Act
 - Fair Housing Standards
2. State Codes
 - Life Safety Code
 - Iowa Administrative Code
3. Local Codes
 - Contact local or county building officials to obtain applicable local codes and schedule construction inspections
- E. Four weeks prior to completion, contact Iowa Department of Inspections and Appeals and State Fire Marshal to schedule a final inspection prior to occupancy
- F. Submit evacuation plan to Iowa Department of Inspections and Appeals prior to occupancy

8. Become more familiar with assisted living

- A. Work with Iowa Department of Inspections and Appeals on certification application process
- B. Identify other training resources for administrator and direct line staff
- C. Develop policies and procedures
- D. Refine business plan
- E. Following receipt of assisted living program certification, submit application to be a Medicaid waiver provider with Consultec

Affordable Assisted Living – Notes on Getting Started

Planning and Predevelopment Notes

First Steps in Predevelopment

1. Remember: Affordable assisted living programs should be targeted to Medicaid-eligible tenants (current maximum income = \$1,869 = three times SSI amount)
2. Complete a market study to determine the need for affordable assisted living in your market area
3. Use county-specific demographic information as a starting point for your analysis
4. Understand the big picture – incorporate affordable assisted living into a general discussion on planning for housing and health-related needs of the elderly
5. Use the planning process to create awareness and establish a base for future support
6. Invite community leaders to have a role in the planning process
7. Hold community meetings to educate on the assisted living concept and build consensus
8. Explain the difference between what is proposed and what currently exists in the community (nursing facility, market-rate assisted living, independent senior housing)
9. Establish a preliminary plan
 - a. Select a site: Prepare architectural drawings, site preparation estimates
 - b. Establish preliminary budgets
 - c. Identify potential tenants
 - d. Explore staffing potential/options

During the Planning Stage

1. Meet with Case Management Coordinator at the Area Agency on Aging
2. Meet with local Department of Human Services case managers
3. Meet with local Public Housing Authority
4. Join the county Case Management team – attend monthly staffing meetings

Educate Other Service Providers

1. Meet with people who are tied into the health care network, primarily for the frail elderly
2. Address how assisted living fits into the care continuum, coordinating services rather than replacing
3. Use participation in the Case Management Program for the Frail Elderly (CMPFE) to educate others on what assisted living can do for the tenant
4. Do not expect referrals from CMPFE meetings or coordinators
5. Talk with hospitals about reducing readmissions and emergency visits, clearly communicating care limitations
6. Discuss assisted living quality monitoring and oversight

Affordable Assisted Living Development Financing Notes

Types of Funding

1. Loans
2. Grants
3. Loan Guarantees

Potential Funding Sources

1. USDA Rural Development
2. HUD
3. Low-Income Housing Tax Credits/Bonds (Iowa Finance Authority)
4. Housing Fund - HOME (Iowa Department of Economic Development)
5. State Housing Trust Fund (Iowa Finance Authority)
6. Federal Home Loan Bank
7. Senior Living Trust Fund
8. Fannie Mae
9. Conventional Lender

Rent	Board	Services
<p style="text-align: center;"><i>Development sources¹:</i></p> <ul style="list-style-type: none"> • Iowa Finance Authority (Low-Income Housing Tax Credit and State Housing Trust Fund) • Iowa Department of Economic Development (Housing Fund) • HUD • USDA Rural Development • Federal Home Loan Bank • Fannie Mae • Conventional lender 	<p style="text-align: center;"><i>Development Sources:</i></p> <ul style="list-style-type: none"> • Grants from private foundations 	<p style="text-align: center;"><i>Development Sources:</i></p> <ul style="list-style-type: none"> • Grants from private foundations • Iowa Finance Authority (Home- and Community-Based Services Revolving Loan Fund)
<p style="text-align: center;"><i>Operational sources:</i></p> <ul style="list-style-type: none"> • Tenant • Home- and Community-Based Services Rent Subsidy Housing Choice Voucher (Section 8) Rental Assistance • HUD or USDA-RD Project-based Rental Assistance 	<p style="text-align: center;"><i>Operational sources:</i></p> <ul style="list-style-type: none"> • Tenant • Older Americans Act (congregate meal program) • Food Assistance Program (Food Stamps) 	<p style="text-align: center;"><i>Operational sources:</i></p> <ul style="list-style-type: none"> • Tenant • Medicaid HCBS Waiver • Medicaid Title XIX • Medicare • In-Home Health Related Care • Long Term Care Insurance

¹ Most of the funding programs are highly competitive and the requests for funds greatly exceed the amount of monies available.

Assisted Living Program Cost Notes

RENT: Paid by tenant

1. Rent is paid regardless of whether a tenant is “in residence” – no “bed holds” are needed in the contract
2. If rent is Fair Market Value or within 120% of FMR, rent subsidies can help tenant pay for cost of rent
3. Rent Subsidy:
 1. Tenant meets income limits
 2. Tenant applies to local housing authority to receive Housing Choice Voucher
 3. If placed on waiting list or is ineligible, tenant applies to Home and Community Based Rent Subsidy Program through IFA (tenant must be on a Medicaid waiver)
 4. Tenant pays no more than 30% of income for rent
 5. 50% of tenant’s income is available for board; reserve 20% of income to pay for incidentals

BOARD: Paid by tenant

- a. Minimum requirements per assisted living rules: 1 meal per day and Emergency Response System and Service; appropriate charge for minimum may be **MAXIMUM** of \$7.19 for the meal; \$35.95/mo. – ERS; \$218.70 + 35.95 = \$254.65.
- b. Board fees may also include:
 - i. Activities
 - ii. Use and maintenance of common spaces
 - iii. Additional meals
 - iv. Services that are not medically required
 - v. Other amenities
- c. Medicaid waiver pays for home-delivered meals and adult day services
- d. For tenants whose condition establishes a medical need for these services, the waiver will pay
- e. Assisted Living Program must apply to be a home-delivered meals waiver provider or contract with a waiver-certified entity that will provide home-delivered meals

SERVICES: Paid by tenant and/or Medicaid waiver

- a. Medicaid Waiver
 - i. Maximum monthly waiver amount is \$1,084. **NOTE:** the amount paid is based on the tenant’s medical needs as determined by the Case Management team and local DHS staff – usually does not come to \$1,084.
 - ii. Participants (tenants) must meet financial and medical qualifications
 - iii. Services provided in assisted living are through a consumer-directed attendant care agreement
 - iv. Does not pay for services provided in a base package
- b. Cost established should reflect projected time spent with the tenant; scheduled and unscheduled needs; supervision of unlicensed caregivers (nurse delegation)

Flexible Program Planning:

Minimize the amount of board or services that are required to be purchased to:

1. increase the potential number of eligible tenants because people with lower incomes would be more likely to afford living in the Assisted Living Program
2. encourage “informal support” by family members and friends

Flexible Service Planning:

1. Service plans are individualized and based on the amount of time that services are delivered throughout the month.

2. Monthly fees are based on the average number of minutes that a tenant receives

Example: Ruth received 60 minutes (1 hour total) of service/day at a rate of \$17.50/hr.:

$$30 \times \$17.50 = \$525$$

Base Service Plan on Time Spent with Tenant:

1. Service time establishes “scheduled” time with tenant
2. Use past experience to estimate “unscheduled” time with tenant
3. Review “unscheduled” service log to determine tasks that may need to be added to tenant’s service plan
4. Listen to employee concerns/comments that a tenant’s needs are increasing

Service Plan Based on Time:

1. Makes sense to consumers
2. Makes sense to Department of Human Services
3. Allows for increased fees as program costs increase

Waiver Provider Notes

Steps to Become a Waiver Provider Prior to Opening:

1. Become certified as an Assisted Living Program with the Department of Inspections and Appeals (DIA) – be sure to check all “affordable” items on Application for Certification.
2. DIA staff will review occupancy agreement and rate schedule with affordability in mind.
3. Submit Medicaid HCBS Waiver Provider Application (Form 470-2917) to IME.

Steps to Become a Waiver Provider After Opening:

1. Become certified as an Assisted Living Program.
2. Submit revised occupancy agreement and rate schedule to DIA staff for review and approval.
3. Submit Medicaid HCBS Waiver Provider Application (Form 470-2917) to IME.

Occupancy Agreement Notes

1. Binding legal contract
2. Must separate out monthly amounts for Rent (include utilities), Board, and Services
3. Can require a tenant to purchase all three (rent, board, services) as a condition of tenancy
4. Can require the consumer to purchase a minimum amount of service as a condition of tenancy IF the requirement applies to every tenant (cannot treat Medicaid recipients differently)
5. Contract can state that the tenant understands that by choosing to live in the program they have chosen the Assisted Living staff as their waiver service provider
6. Assisted Living Program must inform potential tenants whether the program allows outside service providers to deliver services within the program
7. Clearly state that you accept third-party payments
8. Clearly state that if third-party payments do not cover the entire amount that the tenant is responsible for the remainder (for example, Medicaid waiver)
9. Neither providers nor tenants can assume that the waiver will pay for all or even part of the service package
10. Even if the waiver does initially pay for part/all of a service package, if the needs of the tenant change, the waiver may not pay or may pay less for the services provided
11. If the consumer goes into the hospital, goes on vacation, or leaves for any reason, the waiver will not pay for services that have not been provided. The cost of the basic services package then will fall back to the consumer to pay.
12. All tenants must be treated the same: like charges for like units and services
13. If the Assisted Living Program allows a tenant to pay less than the amount stated in the contract, the contract should include an addendum that states the terms that the parties agreed upon
14. If family supplements payment, this may affect third-party payment (e.g., Medicaid, waiver)

Agreement with Department of Human Services (DHS) Notes

1. Met with Assistant Attorney General from DHS in July 2001
2. Results of that meeting:
 - a. Tenants can be required to purchase a base level of services IF it applies to all of an Assisted Living Program's tenants
 - b. Neither providers nor tenants can assume that the waiver will pay for all or even part of the service package
 - c. Providers and consumes should not assume that the waiver will pay for all or even a part of the service package
 - d. If the needs of the consumer change, the waiver may not pay for the services or may pay less
 - e. If the consumer leaves the program for any reason (hospitalization, vacation), the waiver does not pay for the services that are not provided. The cost of the basic package would fall back on the consumer to pay.
 - f. Treat Medicaid recipients no differently than you treat tenants paying for services out-of-pocket
 - g. Tenant contracts must look the same, regardless of payer source(s) – cannot carve out room, board or services for Medicaid recipients only