



MI Affordable Assisted Living Program Elements

*MI Affordable Assisted Living (AAL) program components have been developed by the MI Affordable Assisted Living Steering Committee formed by the Michigan State Housing Development Authority and partnering state agencies including the Department of Community Health, Department of Human Services and Office of Services to the Aging. An inter-agency collaborative agreement defines the partner's shared vision and commitments in the development of an **Affordable Assisted Living Demonstration Program**.*

This document provides information on AAL program development components and reflects the decisions and suggested considerations by the Committee on a wide variety of program areas for developers and operators, service providers and local funders of AAL program services. A housing operator and on-site service provider model is also provided.

Table of Contents

Affordable Assisted Living:

	<i>Page:</i>
Introduction	3
Project Overview	3
Backgrounder	6
Fact Sheet	8
Statement of Tenant Service Provider Options	9
Physical Design Considerations	11
Lease, Service Agreement, & Tenant Selection Requirements	13

Introduction

This document is being provided to offer general explanation of the Affordable Assisted Living Program in Michigan. Those interested in participating in the AAL Program will need to follow application requirements under one of MSHDA's financing programs (e.g., 9% LIHTC, Direct Lending). Requirements specific to each financing program may be found on the MSHDA website (www.michigan.gov/mshda). Interested applicants are required to contact MSHDA staff directly to discuss their proposal ideas, as early in the planning process as possible. This document is intended to provide only a general understanding of the program and its inception; there are many specific program elements described in more detail in other documents which may also be found on the MSHDA website.

MI Affordable Assisted Living – Project Overview

In Michigan, Affordable Assisted living (AAL) is a specialized form of senior apartment housing that provides on-site personal care and health related services with rents priced at rates affordable to seniors with low to moderate incomes. AAL promotes tenant autonomy, dignity and privacy and provides a new community based option for consumers in need of long term care (LTC) and supports. A primary objective of the AAL effort is to integrate housing with community-based services; this involves developing accessible private apartments in tandem with access to private pay, Medicaid and other community based resources, including 24 hour supervision. The comprehensive array of services offered, proximity to community goods and services and the enhanced physical design features of residences supports tenant preferences to *Age In Place*; tenants would not have to move to another setting as their health status and/or social or physical functioning capacities change. Further, Michigan promotes that AAL residences are a component of a *Continuing Care Retirement Community* model which offers a range of housing and health options at or near the AAL location.

AAL residences provide housing with services to seniors (age 55 and older) with varying income amounts. This includes housing and services priced at rates for tenants who can pay the full price and apartments and services priced at rates affordable to adults with limited financial means. The Michigan State Housing Development Authority (MSHDA) requires that at least 20% of total apartments constructed must provide housing to individuals with incomes at/or below 50% of the Area Medium Income.

Generally, AAL supports persons who can no longer remain home, those who prefer to live in residences with available LTC services and those nursing home residents that wish to move back to the

community and receive less costly LTC services. AAL is clearly a community based rather than institutional program providing the same personal care and home health services that are provided to consumers of in-home services. In addition to private pay, public sources of funding for services may include federal and state funding through Area Agencies on Aging, county millages and Medicaid for consumers of Home Help, Programs of All Inclusive Care for the Elderly and the Medicaid funded MI Choice waiver program. There is an emphasis on targeting AAL to Medicaid (MA) consumers to broaden the scope of LTC settings available in the state's publicly funded LTC system, to support nursing facility residents in transitioning to the community and to utilize AAL dedicated funding within the state's current MA MI Choice in-home services waiver program.

The Department of Community Health has earmarked MA funding in the amount of \$1.2 million in fiscal year 2009 and a total of \$2.55 million for 2010 to provide AAL services and supports to AAL program consumers. Processes are established to grant a priority status to AAL consumers on the MI Choice waiting list and to assure that AAL funding is directed to select pilot sites for access to available AAL funding. Reimbursement for MI Choice funding specific to the AAL program covers 100% of the approved and authorized MI Choice program cost.

Although Michigan does license adult foster care and homes for the aged entities, some of which refer to their operations as assisted living, the state has not previously had standardized assisted living programs, assisted living licensure, or specifically an AAL program as a component of the state's Medicaid funded LTC system. A demonstration project was initiated from MSHDA which formed partnerships with other state agencies including the Michigan Department of Community Health (MDCH), the Department of Human Services and the Office of Services to the Aging. The project's intent is to demonstrate whether an AAL program could successfully combine housing and services as a new LTC program option that is both cost effective and provided to the satisfaction of tenants. Five housing developers and corresponding service agency partners were selected through a competitive process to construct new AAL residential sites. A steering committee was formed in 2007, and with support from a MSHDA technical assistance contractor, designed the AAL program model and requirements. The first AAL residence was completed and began accepting tenants in the spring of 2009. In the summer of 2009, the scope of the demonstration effort was broadened to provide AAL support in existing senior housing projects in addition to newly constructed AAL residences.

The state partnering agencies developed a **working philosophy** to frame decisions for both the physical design of the residence and the volume and types of services available:

To provide a community based long term care program in a home-like apartment residence that facilitates person centered planning, self direction and managed risk to maximize tenant independence, dignity, privacy and aging in place in an accessible environment.

Home-like apartment means that tenants may furnish the Apartment with their own furniture or other preferred furnishings. In regard to privacy, each apartment includes private sleeping quarters and bathroom, lockable doors and individual temperature controls. Other ideas promoted in the philosophy include:

Person centered planning: This is a process for planning and supporting the individual receiving services that builds upon an individual's capability to engage in activities that promote community life and that honors the individual's preferences, choices and abilities. The consumer directed planning process results in an individual plan of services.

Self-direction: This is a program option that supports Medicaid in-home service waiver participants in planning and directing their own care through management of an individualized service budget. This budget is the cost of the consumer's individual plan of service developed through the person centered planning process.

Risk management: The commitment to consumer autonomy and choice means allowing residents to take some risks. Tenant decisions may conflict with provider judgments of "best interest" for accepting needed services, following meal or medication regimens and other crucial areas. The concern for consumer health and safety and the potential of legal action create the need to reduce, or manage risk. Risk can be managed through the care planning process in which preferences are discussed and risks are identified.

Aging in Place: This includes housing design features and a broad scope of services that promote that tenants remain in their living space and avoid having to move to a different LTC setting due to a decline in health status or functioning.

In addition to supporting a number of consumer- centered initiatives discussed above, the committee also supports **tenant choice of service providers** even when a provider has been selected to be on-site, around the clock. To assure tenant safety and to meet unscheduled needs, the on-site provider is either selected as the primary provider or the backup provider on all tenant plans of services. The committee also supports use of **universal design features** which exceed barrier free requirements and avoids separate and stigmatized solutions for access and use. For example; a

hallmark of universal design is the use of gently sloped walk ways to a ground floor entrance rather than ramps or stairs.

Other decisions and developments by the committee include:

- A required on-site provider AAL orientation program which is also recommended for housing staff and funders of services
- Requirements for a tenant services agreement to define services available, costs, tenant rights, complaint processes, risk management practices, etc (a model agreement is developed).
- Admission criteria and nursing facility transition equivalency assessments for use when AAL residences utilize housing vouchers and there are waiting lists. The committee only supports the use of admission criteria when AAL apartments are tied to housing vouchers with waiting lists.
- Housing operator requirements for the selection of on-site providers and a model operator – provider agreement with content requirements.

MI Affordable Assisted Living – Background

Aging Population

Assisted Living is an important option for a rapidly increasing older population who are too frail to live on their own but do not require or prefer 24 hour continuous nursing services provided in nursing facilities. Approximately 13% of the nation's population is aged 65 years and older and this number is expected to grow to over 16% by 2020. Currently, about 7 million people aged 65 years and older require help with activities of daily living such as bathing, grooming, meals preparation, medication management and other activities. The number of persons needing care and support will continue to grow and there is a crucial need to develop alternative service settings to costly institutional settings.

Affordable Assisted Living

There is not a uniform definition of assisted living as service options, admission criteria and reimbursement rates vary from state to state but in general assisted living provides a rental apartment with access to supportive services and 24 hour supervision. Advanced assisted living models maximize tenant autonomy, privacy and dignity. Michigan does not currently have licensure or standards for

assisted living but is operating a multi site demonstration project. The state does license adult foster care and homes for the aged and some of these residential care operators self define operations as assisted living.

Assisted living programs that target seniors with low to moderate incomes are defined as Affordable Assisted living (AAL). Affordability is a substantial issue for the older population in need of support. Of the current older population, nearly 35% live at or below 200% of the poverty level. In 2004, the national annual average cost of fair market or private pay assisted living was more than \$28,500 while 47% of those aged 65 years and older have annual incomes of less than \$25,000. Further, nearly 70% of the 10.2 million households of people aged 75 years and older have incomes of less than \$25,000. The incidence of those that need long term care services and supports increases with age and the older components of the senior population is growing at the most rapid rate.

Long Term Care Options & Medicaid Cost

A lack of high quality and affordable assisted living forces many Americans requiring long-term services to enter nursing facilities although they do not need around the clock skilled nursing care. A significant number of Medicaid funded, nursing home residents do not require the level of care they receive in an institutional setting, but they lack residential alternatives. Residents who need 24-hour assistance often prefer assisted living settings if they are available and affordable. Assisted living's focus on maintaining resident independence and tailoring services to meet each resident's needs, creates operational efficiencies, lower rates, and significant savings to federal and state Medicaid budgets.

Medicaid is the primary payer for 67% of nursing facility residents in the United States. In a 2004 report; AAL expert Robert Mollica noted that assisted living is often estimated to be 30 to 50 percent less expensive than nursing facility costs. States that have been working with the technical assistance contractor for the Robert Wood Johnson Foundation's multiyear AAL demonstration are paying an average of 62% less in state and federal Medicaid dollars to care for nursing facility eligible Medicaid residents living in assisted living settings.

All states within the Centers for Medicare and Medicaid Services region five administer AAL programs with the exception of MI; a 2008 comparison of Medicaid paid nursing facility (NF) and AAL cost of those states showed:

Illinois – AAL = 43% of NF cost
rate

Indiana – AAL ranges from 61% to 79% of the 2002 NF

Ohio – AAL = 54% of NF cost
cost

Minnesota – AAL cost range from 28% to 64% of 2002 NF

Wisconsin – Maximum AAL payment is capped at 85% of NF cost

The elderly, people with disabilities, and taxpayers would benefit from the development of affordable assisted living in Michigan and throughout the country.

MI Affordable Assisted Living – Fact Sheet

- An Affordable Assisted Living (AAL) pilot project was initially planned in 2006 from a Michigan State Housing Development Authority (MSHDA) formed work group exploring *Aging in Place* issues. The group designed an AAL pilot project to provide a new community based long term care (LTC) program option for any qualifying person who prefers private apartment housing with supportive services. Partnering agencies include the Michigan Department of Community Health (MDCH), the Department of Human Services and the Office of Services to the Aging.
- Assisted living is a specialized form of senior apartment-style housing that provides on-site personal care and health related services. Assisted living promotes tenant autonomy, dignity and privacy. A primary objective of the AAL effort is to integrate housing with services; this involves developing accessible private apartments with rents priced at rates affordable to seniors with limited means in tandem with access to Medicaid and other community based resources. MSHDA requires that at least 20% of total apartments constructed must provide housing to individuals with incomes at/or below 50% of the Area Medium Income.
- Michigan has not had an Affordable Assisted Living (AAL) component in the state's LTC system. Approximately \$1.3 million was budgeted to secure an AAL specific Medicaid waiver in fiscal year '09; however, the state decided to amend the current home and community based MI Choice waiver to accommodate the new housing with services demonstration program. An additional \$2.55 million is available for fiscal year 2010.
- The state partners designed a competitive proposal process and selected 5 housing developers and local service providing agencies for the construction of new AAL residences to be located in Battle Creek, Detroit, Grand Haven, Grand Rapids and St. Ignace. The first AAL site, Heron Manor, is located in Grand Rapids and began accepting tenants in April 2009.
- A state level AAL Steering Committee has been working on developing the demonstration project since August 2007. The Committee is comprised of the initial state partners, consumer advocates and housing developers. MSHDA secured a technical assistance contractor to coordinate the development of the initiative and to facilitate Steering Committee activities.
- MSHDA and the committee broadened the scope of the AAL project in the summer of '09 to include a component that will fill vacancies in existing senior housing buildings with tenants in need of AAL supports. MSHDA may also select developers recently awarded tax credits as well as other developers to be selected in future tax credit rounds to participate in the AAL demonstration.

- AAL will provide housing with private pay and publicly funded services for persons who may no longer be able to remain home and those who prefer to live in private apartments with available community based LTC supports and services. AAL is also an option for current nursing home residents to transition back to the community and receive less costly LTC services.
- Consumer-centered design elements include private living and sleeping spaces, full bathrooms and kitchens, lockable doors and individual temperature controls and personal furnishings. MSHDA and the committee encourage the use of universal design features which exceed barrier free requirements and avoid separate and stigmatized solutions for access and use. Examples include zero entrance building entrance with automatic doors, accessible appliances, wheel-in showers, non-skid flooring, adjustable height shelving, etc.

MI Affordable Assisted Living - Statement of Tenant Service Provider Options

AAL Tenants have a choice in who provides their care through person centered planning & informed choice processes:

Assisted living operators develop and manage a competitive process to select an on-site service provider of personal care and health related services to address tenant needs for both private pay and publicly funded services. Substantial input from consumers is required on processes for the method of provider selection, the providers to be selected and in measuring provider performance. Although selected AAL providers are available on-site, tenants have choice among which service providers will address their needs. The tenant's choice of providers is determined through **person centered planning (PCP)**.

- Responsibility for facilitating the PCP process for tenants utilizing publicly funded services is with the local funders of those services (e.g. MI Choice, AAA). PCP with private pay tenants is facilitated by the AAL on-site service provider.
- On-site providers must receive training for person centered planning.

In addition, tenants have rights concerning **informed decision making** in regard to choosing service providers. Information will be provided to tenants to support understanding of choice opportunities and provider options that may best meet their needs and preferences.

- Responsibilities for supporting the informed choice process for **tenants utilizing publicly funded services is with the local funders of those services**. Informed choice support with private pay tenants is facilitated by both the AAL property management and the AAL on-site service provider.
- AAL property managers will include informed choice information in the MSHDA approved Tenant selection criteria.

- The on-site provider's tenant services agreement must include language that informs the consumer of service provider options.

The on-site provider will be a component of all individual plans of care.

Informed decision making includes encouragement from funders and housing and services staff to make the best use of the on-site AL provider as the preferred choice or as a secondary back-up support to an alternate provider.

Related information provided to tenants includes support of the on-site AL provider option which promotes the best opportunity to address both the scheduled and unscheduled needs of tenants in that:

- Staffing and supports are available on-site, around the clock to address unplanned and urgent needs for services.
- Mechanisms are in place with the housing operator to directly monitor performance of the on-site provider in the delivery of services to tenants and to assure that the provider will meet the service standards and requirements of all funders involved.
- Services authorized by funders and tenants can be provided in a more flexible and responsive manner compared to services offered from traditional in-home service plans. The on-site provider is specialized in the delivery of assisted living services and supports.
- Selection of the on-site provider minimizes the number of providers engaged with tenants which simplifies service delivery arrangements for tenants and creates administrative efficiencies for both housing and services operations.

If an alternative provider is utilized for the delivery of either publicly funded or private pay services, the tenant's individual plan of care will clearly state that the on-site AL provider is a component of an emergency back-up plan and is to address unplanned or unscheduled service needs.

MI Affordable Assisted Living - Design Considerations

National experts Robert Mollica and Robert Jenkins, as well as national assisted living organizations, promote that assisted living is distinguished from other residential service settings by the adoption of a philosophy. At least 28 states have adopted an assisted living philosophy in regulation or statute; all share a common foundation such as providing a home-like setting, maximizing independence, decision making and dignity and offering private units in a accessible living environment.

Michigan includes philosophies specific to Person Centered Planning, Aging in Place and Self Directed Care which is congruent with assisted living's clear values of autonomy and choice as well as focusing on functioning and competence of the tenant rather than illness and disability.

Personal Control

Operationalizing the philosophy into consumer centered design components gives people control over their own space; examples would include:

- Full bathroom
- Kitchen area with the capacity for food preparation and cooking
- Lockable doors
- Private sleeping and living space
- Individual temperature controls
- Personal furnishings
- Accessible design in private & public spaces (wider doorways, grab bars)
- Enhanced security (sprinkler systems), and
- Storage capacity
- Community space for dining, laundry, living room, TV lounges, etc.

Assisted living facilities tend to range from between 40 to 120 units. Common space accounts for 30 to 40% of the square footage and some states set minimum square footage requirements (e.g. OR sets the minimum at 250).

Universal Design

In this context, universal design environments are built to be useable by all people, not just persons with disabilities. Principles include flexibility, simplicity and low physical effort in approaching and using the physical environment. Universal design features exceed barrier free requirements and avoids separate and stigmatized solutions for access and use. For example; a hallmark of universal design is the use of gently sloped walk ways to a ground floor entrance rather than ramps or stairs.

Advocates for the universal design movement promote that many of environmental changes needed to accommodate persons with disabilities were of benefit to everyone. In addition many features do not add cost at construction and are attractive and even marketable. Universal design features may enhance a tenant's ability to age in place and extend independence; examples include:

- Zero clearance building entrance with automatic doors
- Accessible internal routes including 36" doorways and 42" hallways
- Non-skid wheel-able flooring
- 48" x 48" turning space in front of appliances and 5' turning space around toilets
- Zero clearance wheel in showers and vanity
- Accessible appliances (e.g. side by side refrigerator doors, dishwasher access, sink & cook top knee spaces
- Lever door handles and rocker light switches
- Adjustable height shelving in closets
- Lower, crank handle windows

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MI Affordable Assisted Living - Lease, Tenant Service Agreement & Tenant Selection Plan - Minimum Requirements

The following intends to define three components as a coordinated whole:

Lease

- Location of premises & terms; from & to dates
- Accommodations & privacy; private bedroom & living space, kitchen & use opportunities, private bath, barrier free and design features, community space use
- Rent; amount and time frames for period covered, due date/advance payment requirements, late fees, refund process
 - Security deposit
 - Certification & recertification of tenant income
 - Rate changes & notice
- Utilities; landlord & tenant responsibilities by utility type (heat, telephone, etc)
- Personal furnishings and apartment alteration opportunities & restrictions
- Resident safety features & property loss responsibilities
- Residence maintenance; landlord & tenant responsibilities for preservation & repairs including heat, plumbing, etc, structure, cleaning & sanitation requirements
 - Process to request repairs, cost & payment process, negligence & consequences
- Housing based tenant complaint/dissatisfaction process with appeal opportunity
- Expected conduct & lease termination/tenant discharge issues; health, safety & comfort of others, criminal activity, violence & weapons
 - Eviction notice & appeal opportunity
- Other occupant restrictions & exceptions
 - Guest opportunities & exceptions
- Inspection for condition of apartment and advance notice timeframe
- Lease renewal & notice

Tenant Service Agreement

- AAL philosophy & explanation
- Consumer rights/bill of rights & responsibilities relevant to services & supports
- Person centered planning & self directed care opportunities

- AAL service delivery process including available services & individual plan of care with service costs
- AAL service provider & supports coordination choice requirements & process for accessing off-site providers/coordinators
- Service based complaint/grievance & appeal procedures
- Abuse, neglect & exploitation information & reporting process
- Protected health information
- AAL services billing/payment processes
 - Rate change statement & notification process
- Medicaid waiver service portability statement & process
- Other services available including home health, hospice
- Services not available

Tenant Selection Plan

- Description of residence in regard to number of apartments, number of affordable units, number of levels and access to upper floors
- Eligibility explanation for all units
- Tenant distribution strategy including more preferred & specially equipped apartments
- Initial marketing procedures including timeframes, target groups & the general public
- Consumer application process including processing procedures
- Application screening & review procedures for fair market & affordable applicants including review criteria for accepting & rejecting applicants
- Preferences or priorities for tenant selection (e.g. nursing facility transition)
- Waiting list maintenance including order of assignment and process to select consumers
- Process to notify applicants rejected or denied access to an apartment including hearing appeals processes
- Assurance of non-discrimination in review & selection process
- Informed choice information regarding tenant choice in service providers