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To: Assembly Health & Human Services Committee
From: Larry Fry, CARE Legislative Chair
Re: AB 326 Testimony
Date: April 2, 2003

Dear Committee Members,

Thank you for the opportunity to share with you some thoughts about the assisted living industry as it has evolved in Nevada today. This evolution is important as it relates to AB 326, which would define and regulate assisted living facilities in Nevada today.

First of all, we need to look at assisted living as a concept in long-term care, as it is a service package designed to enable our elderly to "age in place" in a social model of an assisted living facility. Across the country, over the last 15 years or so, a wide variety of living settings have grown to foster assistance with a residents activities of daily living, and also instrumental activities of daily living. Generally, this has applied to medically stable elderly who were ambulatory, but in recent years, this has also broadened to include medically stable elderly who were functioning with some type of physical device to help them ambulate. Additionally, residential facilities specializing in the care of persons with Alzheimer's disease have come on the scene in the last 15 years or so.

In Nevada, assisted living services occur in a variety of licensed residential settings. The first residential care facility opened in Reno in 1948. Residential Care Facilities began to be regulated by Nevada in 1955. Today, our facilities are regulated by the Bureau of Licensure and Certification, under NAC Chapter 449: Residential Facilities for Groups. Additionally, the state Division of Aging Services is very involved in an advocacy role for our resident's rights. So, as you can see, a good regulatory framework is already in place as we look ahead to the future. There are currently 367 facilities, with 4,881 beds. There are many "dimensions" of assisted living in Nevada:

1. Our facilities range in size from 2 bed Homes for Individual Care, to large facilities with over 100 beds.
2. We care for the regular elderly or disabled, and also for persons with mental illness, mental retardation, those with chronic illness, and those with Alzheimer's disease.

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3. Nevada has two categories of facilities: I & II. The primary difference here is the mobility of the resident.
4. Economically, assisted living residents in Nevada range from private pay to those on Supplemental Security Income (SSI), a combination of SSI and Social Security, county welfare, and Medicaid Group Waiver.

Recently, the drive to contain long-term care costs has "pushed" the elderly resident to a lower, more independent place in the long-term care continuum. This has meant that our typical resident in Nevada's assisted living facility is older, frailer, and requires more care than was the case 15 years ago. Resulting impacts on our industry:

1. The evolution of the term "Assisted Living" in that our typical resident requires more assistance with their activities of daily living than in the past. As the focus of what we did gravitated more towards assistance with activities of daily living, it became only natural that the terms "assisted living facility" and "residential facility for groups" came to mean the same thing. This same trend has also occurred nationally.

2. The birth of assisted living facilities for persons with Alzheimer's Disease, and the other disabilities noted above.

3. The creation of a Category II facility to address the needs of the medically stable elderly whose ambulation ability has slowed down.

4. The 1994 legislative mandate to certify and license administrators of residential facilities for groups, requiring testing and ongoing training. Our industry was very supportive of this mandate.

5. Creation of the Medicaid Group Waiver program 10 years ago. This program allows seniors currently living in medical facilities the choice of being able to move into an assisted living facility, allowing for a greater degree of freedom, at a huge cost savings for both the resident and the state. Our industry partnered with Nevada Medicaid in this program, and its success has only been limited by the modest operator rate of \$9.09 per day, which has remained unchanged since the beginning of the program. Nevada Medicaid has proposed an enhancement of this program, which would expand it to two additional levels with a corresponding increase in funding. Our assisted living industry strongly

supports this, as it is a win-win for everyone involved.

6. The creation of industry trade groups, beginning in 1969. Currently, the Coalition of Assisted Residential Environments (CARE) consists of over 60 facilities representing over 1,400 beds of all facility types. Its mission is to facilitate networking among administrators of assisted living facilities, to aid in their professional development, and to represent assisted living interests before appropriate state government agencies, the legislature and local government entities. CARE provides 3 to 4 workshops annually, and all are designed to comply with the state bi-annual requirements for CEU's for our administrators. Additionally, our workshop content is also geared towards caregivers. Nationally, The Assisted Living Facilities of America was formed in 1990. Wendy Simons was one of the founders of this organization.

The Board of Health mandated the formalization of a working relationship between private and public sectors in assisted living last summer. This became the Assisted Living Advisory Council (ALAC), which was directed to:

1. Develop educational strategies for caregiver training
2. Develop fee methodologies and look at Bureau of Licensure and Certification costs
3. Revamp complaint methodologies
4. Work to propose and implement regulatory revisions
5. Investigate and explore solutions to the liability insurance problem facing the assisted living industry.

So, as you can see, the assisted living industry in Nevada has grown and evolved in response to the increasing care needs of a frailer elderly senior. We are committed to providing quality assisted living services to our seniors in a wide range of licensed residential settings which offer our senior citizens choice and flexibility in their daily lives. Given this background, we are now ready to take a closer look at AB326, and how we feel it should properly relate to assisted living in Nevada.