

SENIOR & DISABILITY SERVICES
A DIVISION OF LANE COUNCIL OF GOVERNMENTS



So, You Are Thinking of Opening an Adult Foster Home...

A booklet created to help prospective applicants understand the process of obtaining a license for (& owning and operating) an Adult Foster Home.

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Senior & Disability Services (S&DS) created this booklet to help prospective Adult Foster Providers learn what is involved in making the commitment to establish and operate an Adult Foster Home. This booklet offers information to help people who are considering opening a commercial Adult Foster Home decide whether to pursue the venture.

Goal

The goal of adult foster care is to provide necessary care for seniors and adults with physical disabilities while emphasizing the resident's independence.

Rules Promote Dignity, Independence, and Choice

The State of Oregon has created rules to establish standards and procedures for Adult Foster Care Homes that provide care and services for adults who are older or adults with physical disabilities in a homelike environment that is safe and secure. This goal is reached through a cooperative relationship between the resident (or court appointed guardian) and the resident's care providers. Care and services are provided in a setting that protects and encourages resident dignity, choice, and decision-making while addressing the needs of the resident in a manner that supports and enables the residents to maximize their ability to function at the highest level of independence possible.

Definition and Description of Work

Adult Foster Home (AFH)" means any family home or other facility where residential care is provided in a homelike environment for compensation to five or fewer adults who are not related to the licensee, resident manager, or floating resident manager, by blood, marriage, or adoption and who are 65 years of age or older or an adult with a physical disability. Adult Foster Homes provide services such as meals and housekeeping and help with residents' activities of daily living (ADLs). ADLs include personal hygiene (e.g. bathing, dressing and toileting), taking medicine, transportation, social activities, etc. AFHs are home and community-based settings as defined in [OAR chapter 411, division 004](#).

What Steps To Take

Establishing and running an Adult Foster Home is a major responsibility complete with financial and regulatory responsibilities and obligations.

When deciding to explore Adult Foster Home ownership, potential owners must attend an Adult Foster Home orientation session. To learn the date of the next orientation session, **call (541) 682-4367**, and ask to speak with the Adult Foster Home Licensing and Monitoring Unit.

A glossary of commonly used words and abbreviations is listed at the back of this booklet.

Qualifications for Providers, Administrators, Resident Managers, Shift Caregivers, and Other Caregivers

- ***An Adult Foster Home licensee/provider shall meet the following qualifications:***

- Be at least 21 years of age
- Live in the home to be licensed, unless a resident manager or administrator lives in the home or you have a sufficient number of shift caregivers for 24 hour coverage
- Have education, experience, and training to meet State requirements
- Possess physical health, mental health, good judgment, and good personal character, including truthfulness, determined necessary by the Department to provide 24-hour care for adults who are older or adults with physical disabilities.
- Have a statement from a physician, nurse practitioner or physician assistant indicating that the applicant or licensee is physically, cognitively, and emotionally capable of providing care to residents.
- Have an approved background check
- Be literate in the English language and demonstrate the ability to comprehend and communicate in English orally and in writing with the residents and the residents' family members or representatives, emergency personnel (e.g., emergency operator, law enforcement, paramedics, and fire fighters), licensed health care professionals,

case managers, Department and local licensing authority staff, and others involved in the care of the residents.

- Have the financial ability and sufficient liquid resources to pay the costs of operating the home for two months without relying on potential resident income
- Attend the State required foster provider basic training course, Ensuring Quality Care (EQC) and pass an examination
- Attend Orientation, sponsored by S&DS
- Attend Recordkeeping, sponsored by S&DS
- Attend an HB3359 approved Dementia class
- Not be listed on either of the Exclusion Lists- “Exclusion Lists mean the following federal lists that exclude listed individuals from receiving federal awards, not limited to Medicaid and Medicare programs:
- The U.S. Office of Inspector General's Exclusion List at www.exclusions.oig.hhs.gov/; and
- The U.S. General Services Administration's System for Award Management Exclusion List at www.sam.gov.
- Trainings to be taken within the first year of initial licensing or approval- “DHS Six Rights of Safe Medication Administration” and Fire and Life Training
- On-going Requirements:
 - Must complete a Basic First Aid course & CPR course, prior to initial application, and keep current
 - Take at least 12 hours of Division-approved ongoing training related to care of elderly and disabled persons each *subsequent* year

Qualifications for Administrators, Resident Managers, and Shift Caregivers

The Administrator, Resident Manager, and Shift Caregivers must meet all qualifications of the owner/licensee/provider, with the exception of the submission of financial requirements.

Qualifications for Substitute Caregivers

The Provider, Co-Provider, Administrator, Resident Manager, Shift Caregivers, or another person hired and trained to provide adequate care, must be in the home at all times.

- **Requirements for Substitute Caregivers Prior to Training or Working in the Home:**

- Be at least 18 years of age
- Have an approved background check in accordance with [OAR 411-049-0120](#) and maintain that approval as required.
- Must complete a Basic First Aid course & CPR course, within 30 calendar days of the start of employment
- Attend and successfully complete a dementia training, sponsored by the Oregon Care Partners before beginning actual employment
- Be literate and demonstrate the understanding of written and oral orders and be able to communicate in English
- Be able to respond appropriately to emergency situations at all times
- Have a clear understanding of job responsibilities, have knowledge of residents' care plans and be able to provide the care specified for each resident's needs including appropriate delegation or consultation by a registered nurse
- Possess physical health, mental health, good judgment and good personal character, including truthfulness, determined necessary by the Department to provide care for adults who are older or adults with physical disabilities, as determined by reference checks and other sources of information.

A License is Required to Operate an Adult Foster Home

Any facility (or home) that meets the definition of an adult foster home or limited adult foster home in [OAR 411-049-0105](#) must apply for and obtain a license from the local licensing authority before providing care to any resident for compensation.

Application for a License

To apply for a license to operate an Adult Foster Home, an applicant must complete the application packet and submit it to S&DS.

The applicant is required to furnish various information including, *but not limited to*, the following in his/her application:

- Resident capacity requested
- Classification being requested
- Physician's statement regarding ability to provide care
- Financial information, including:
 - Budget for operating the home
 - Proof of sufficient liquid resources to operate the home for two months without relying on potential resident income
- A copy of your rental agreement, lease or deed (if you own your home)
- Verification is required, if the home is leased or rented, that the rent is a flat rate
- Floor plan of the house
- A list of non-relative and professional references

Application Fee

The application must be accompanied by a \$20 per bed, non-refundable fee for each non-relative resident. There is a \$10 non-refundable fee for processing a Resident Manager application.

Notes on License Issuance

After receiving the completed application materials and fee, the Division shall consider the information submitted, inspect the home, and conduct a personal interview with the applicant to determine compliance with State requirements and rules. Once an application has been filed, the prospective owner should plan on receiving a response from S&DS in approximately 60 days.

During this processing period, the applicant should make final preparations for operation of the home such as:

- Make final modifications to the home
- Obtain insurance coverage (homeowners, liability, auto, and worker's compensation).
- Consult with other licensed Adult Foster Home providers
- Contact the Oregon Bureau of Labor & Industries for information on minimum wage laws, etc.
- Contact the Internal Revenue Service and the Oregon Department of Revenue for information about business tax filing
- Register your business with the Oregon Department of State (good for 2 years)

A license is valid for one year unless revoked or suspended. S&DS may issue a license to operate an additional Adult Foster Home if the provider has demonstrated the qualifications and capacity to operate his or her existing home or homes and has shown the ability to provide adequate care to the residents of those homes.

Notes on Change of Ownership

A license to operate an Adult Foster Home is not transferable and does not apply to any location or person(s) other than the location and the person(s) indicated on the license obtained from S&DS.

The provider shall inform real estate agents, prospective buyers, lessees, and transferees in all written communication including advertising and disclosure statements that the license to operate an Adult Foster Home is not transferable. Prospective buyers should be referred to S&DS for information about licensing.

Potential Earnings

It is important that prospective owners develop a business plan to make sure that Adult Foster Home ownership is a viable option. Consult with other licensed Adult Foster Home providers and gather information regarding the business operation. When reviewing the fiscal viability of starting an Adult Foster Home, prospective owners should take into account times when they may have lower incomes because they do not have a full complement of residents in their homes.

Payment Source: Private Pay

Residents who are financially able to pay privately for their care costs. Adult Foster Home providers enter into a signed Residency Agreement with the resident or person paying for care.

Payment Source: Medicaid

Medicaid reimburses for the costs of service to eligible clients based on a State standard. The reimbursement system includes several levels of payment. The S&DS case manager completes an assessment, using a standardized system, to determine the client's level of payment.

Any Adult Foster Homeowner who chooses to care for a resident whose care is paid for by Medicaid must enter into a contract with the State of Oregon.

Adult Foster Home providers enter into a signed Residency Agreement with the Medicaid resident.

Incentives for Medicaid contracted Providers (benefits for Medicaid recipients):

- Tax-exempt income (in certain situations, i.e., if you live in your foster home)
- Potential property tax exemptions
- Professional case management services
- Transportation for medical appointments
- Prescription medication coverage
- Medical supplies, including incontinency supplies
- Registered Nurse available for training, consultation, and delegation of nursing tasks
- Increased pool of potential residents
- Satisfaction of performing a valuable public service

Glossary

“Administrator” means the person who is designated by the Licensee that is responsible for the daily operation and maintenance of the AFH.

"Adult Foster Home (AFH)" means any family home or other facility where residential care is provided in a homelike environment for compensation to five or fewer adults who are not related to the licensee, resident manager, or floating resident manager, by blood, marriage, or adoption and who are 65 years of age or older or an adult with a physical disability. Adult foster homes are home and community-based settings as defined in [OAR chapter 411, division 004](#). For the purpose of these rules, "Adult foster home" does not include any house, institution, hotel, or other similar living situation that supplies room or board only, if no resident thereof requires any element of care. "Facility" and "Home" are synonymous with the term "Adult Foster Home".

"Background Check" means a criminal record check and abuse check as defined in [OAR 407-007-0210](#). An approved "Background Check" means a final determination, made by an authorized agency or district, that the subject individual is fit to:

- (a) Hold a position, paid or not paid;
- (b) Obtain or retain credentials;
- (c) Have direct access to; or
- (d) Otherwise provide services necessary for the health, welfare, maintenance, or protection of an individual.

You must be approved by the background check process to be able finish the application process to be a provider, co-provider, administrator, resident manager, floating resident manager, or to be able to work in an adult foster home.

A national criminal records check is required if the applicant or other person has resided in another state within the previous five years (fingerprints may be required for other reasons as well).

"Background Check Rules" means the rules in [OAR 407-007-0200 to 407-007-0370](#).

"Family Member" means spouses in a legally recognized marriage or domestic partnership, natural parent, child, sibling, adopted child, adoptive parent, adoptive sibling, stepparent, stepchild, stepbrother, stepsister, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent, grandchild, aunt, uncle, niece, nephew, or first cousin.

"Home-like" means an environment that promotes the dignity, security, and comfort of residents through the provision of personalized care and services, and encourages independence, choice, and decision-making by the residents.

"Limited Adult Foster Home" means a home that provides care and services for compensation to a specific individual who is unrelated to the licensee but with whom the licensee has an established relationship of no less than one year.

Any home that meets the definition of a **Limited Adult Foster Home** must have a license from the Division if receiving compensation from the Division.

"Resident Manager" means an employee of the licensee, approved by the local licensing authority, who lives in the adult foster home and is directly responsible for the care of the residents.

"Shift Caregivers" means caregivers who are responsible for providing care for regularly scheduled periods of time, including, but not limited to, 8, or 12 hours per day or night, in homes where there is no licensee, administrator, or resident manager living in the home.

"Substitute Caregiver" means any person other than the licensee, administrator, resident manager, floating resident manager, or shift caregivers who provides care and services in an AFH under the jurisdiction of the Department.

You Are On Your Way

Ensuring the best possible care for the elderly and adults with disabilities in our community is a priority for Senior & Disability Services. Applying for an Adult Foster Home license is a challenging process. Adult Foster Home Licensing and Monitoring staff are available to answer any questions you may have about the Adult Foster Home application, please call them at (541) 682-4367. Once you open your Adult Foster Home we look forward to helping you to provide excellent care to your residents.

Here is a ***partial*** list of items that must be completed by the applicant/provider in order to qualify for compensation from the Division. You must:

- Submit a completed application;
- Be at least 21 years of age
- Live in the home that is to be licensed
- Must own, rent, or lease the home where care is being provided
- An approved caregiver must be available at all times, 24 hrs/day 7 days/week
- Submit a physician's statement regarding the ability to provide care;
- Obtain a criminal record clearance;
- Demonstrate a clear understanding of the resident's care needs;
- Meet minimal fire safety compliance including the installation of smoke detectors and fire extinguishers; and
- Obtain any relevant training deemed necessary by the Division to provide adequate care up to the full training requirements of the Division.

A spouse is not eligible for compensation as an adult foster care provider. If services are provided to a relative without compensation from the Division (Medicaid funding) the home does not require a license. If there is compensation from the Division, the applicant must apply to the Home Care Worker Program.

Senior & Disability Services (S&DS) refers to the organization responsible for licensing and monitoring Adult Foster Homes in Lane County. Otherwise known as “LLA” local licensing authority.

Senior & Disability Services, a division of Lane Council of Governments, provides a variety of publicly funded programs and services to seniors and adults with disabilities who live in Lane County.

It is the policy of Senior & Disability Services that it shall not discriminate in admission, accessibility, treatment, or employment in its programs, activities, and facilities on the basis of race, creed, color, sex, age, ancestry, national origin, sexual orientation, political beliefs, religion, or disability. Funds for services come from participant contributions and from local, state, and federal governments.

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How to Reach Us

Administrative Offices
1015 Willamette St
Eugene, OR 97401
(541) 682-4498 – General Reception
(541) 682-4367 - Adult Foster Home Unit
FAX: (541) 682-6550
TTY: (541) 682-4567

Information & Referral
(541) 682-4038
1-800-441-4038

E-mail: S&DS@lcog.org
Internet: www.sdslane.org

Florence: (541) 902-9430, ext. 248 from *Eugene*: (541) 682-7831
3180 Hwy 101 N, FAX: 997-9137; TTY: 997-8251

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in an alternative format, please contact us.

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