

Fact Sheet: Affordable Assisted Living

DID YOU KNOW?

Over the next two decades the number of households headed by someone age seventy-five or older is projected to double, from 14.1 million in 2018 to 28.2 million by 2038. As recently noted in Health Affairs, the rapid growth of this older population raises significant challenges for both housing and health care policy, as the need for living situations that accommodate mobility limitations, provide supportive services, and enable social connections increases with age.

ASSISTED LIVING COMMUNITIES ARE FULLY ACCESSIBLE

The majority of seniors would prefer to age in place, but according to the Joint Center for Housing Studies of Harvard University, only 3.5 percent of homes in the US are accessible. Over 40 percent of seniors age 80 and older report mobility limitations including difficulty walking and climbing stairs.

Assisted Living Communities are “Purpose Built” to serve an aging and frail population. Buildings are fully accessible with wide corridors, roll-in showers and alarms systems; they also are designed to promote privacy and individual autonomy. Most commonly the units are single occupancy and include a private bath and kitchenette.

ASSISTED LIVING COMMUNITIES COMBAT SOCIAL ISOLATION AND PROMOTE HEALTHY AGING

Loneliness is a significant problem among older adults and has been found to be a predictor of serious health problems or death. Simply feeling lonely increases the risk of higher blood pressure, susceptibility to the flu and other infectious diseases and early-onset of dementia. It also increases the risk of mortality by 26 percent. Prolonged social isolation is as harmful to health as smoking 15 cigarettes a day and is more harmful than obesity.

Assisted living communities focus on personalized and group activities that promote interaction and reduce social isolation. The 2014 Home and Community Based Services HCBS Settings Rule further ensures that residents have full access to the benefits of community living.

ASSISTED LIVING COMMUNITIES INCREASE COMMUNITY TENURE

Assisted living can increase community-tenure by delaying nursing home placement. For example, in Washington State, state Medicaid clients participating in a specialized Assisted Living Dementia Care program had one-third the risk of nursing home placement within 18 months than those not participating in the program, despite higher levels of cognitive impairment and behavioral issues.

ASSISTED LIVING COMMUNITIES HELP REDUCE MEDICATION ERRORS

Older adults who take multiple prescription and non-prescription medications are at increased risk of adverse drug events that can lead to falls and associated harms, such as fractures, dehydration, functional decline and cognitive impairment, delirium, deficits in nutritional status, avoidable hospitalizations and death. It has been estimated that 30 per cent of all hospital admissions of people aged 65 years and over are medication-related, and approximately half of these could be prevented.

Assisted Living Communities actively monitor medications to mitigate the significant adverse effects related to adverse drug events and failures in medication management. Use of consultant pharmacists can help prevent medication errors, reduce the unnecessary use of medication and reduce the risk of avoidable emergency room and hospital admissions.

MEDICAID BENEFICIARIES HAVE LESS ACCESS TO THE BENEFITS OF ASSISTED LIVING THAN SENIORS WITH THE MEANS TO PAY PRIVATELY

While HCBS continues to account for an increasing share of Medicaid long-term services and supports (LTSS) spending, the extent of coverage for assisted living varies significantly across the states.

In six states, Medicaid does not cover assisted living services at all.

In other states, while assisted living is covered, access is very limited due to inadequate reimbursement rates for services, restrictive eligibility criteria and in some instances, enrollment caps.

Federal policy prohibiting Medicaid payment for room and board may also be a factor as the rental allowance in many states often is too low to attract new, high quality providers.

STATE MEDICAID PROGRAMS ARE TAKING A LEAD TO IMPROVE ACCESS TO MEDICAID ASSISTED LIVING

States are using different authorities and different approaches to increase access to Medicaid-funded Assisted Living Communities. For example:

- Oregon, which spends over 80% of Medicaid long-term care dollars on HCBS, uses the 1915(k) Community First Choice option to maximize its federal match and to ensure state-wide availability of assisted living.
- Arizona uses its 1115 waiver to operate an integrated managed care model with robust coverage for assisted living benefits.
- In Ohio, the State, CMS and managed care plans have entered into a three-way contract to offer fully integrated care plans for full benefit dual eligible. The Medicaid capitation rate for individuals who are nursing home level of care is designed to incentivize plans to reduce reliance on higher cost institutional settings. Assisted living is a covered benefit under the contracts.
- In the District of Columbia, the State Medicaid agency raised the Assisted Living payment rate from \$60 to approximately \$160/day. As a result of this change, the number of Medicaid -funded Assisted Living beds is expected to increase dramatically within the next 18 months.
- In Illinois, the State legislature recently enacted legislation to tie Medicaid Assisted Living Reimbursement to 60% of the rate paid to nursing facilities.

For More Information:

- Centers for Disease Control and Prevention, National Center for Health Statistics, [National Survey of Residential Care Facilities](https://www.cdc.gov/nchs/nsrcf/index.htm): <https://www.cdc.gov/nchs/nsrcf/index.htm>
- Centers for Medicare and Medicaid Services, [Home and Community Based Services Final Regulations](https://www.medicare.gov/medicaid/hcbs/guidance/hcbs-final-regulation/index.html): <https://www.medicare.gov/medicaid/hcbs/guidance/hcbs-final-regulation/index.html>
- Centers for Medicare and Medicaid Services, [Medicaid LTSS Reports and Evaluations](https://www.medicare.gov/medicaid/lts/reports-and-evaluations/index.html): <https://www.medicare.gov/medicaid/lts/reports-and-evaluations/index.html>
- Congressional Research Service, [Medicaid Coverage of Long-Term Services and Supports \(February 28, 2017\)](https://www.everycrsreport.com/files/20170228_R43328_5834413c5243a128f3e91f6ed70e7e0f074bca6c.pdf): https://www.everycrsreport.com/files/20170228_R43328_5834413c5243a128f3e91f6ed70e7e0f074bca6c.pdf
- Government Accountability Office, [Medicaid Assisted Living Services: Improved Federal Oversight of Beneficiary Health and Welfare Is Needed \(January 5, 2018\)](https://www.gao.gov/products/GAO-18-179): <https://www.gao.gov/products/GAO-18-179>
- Medicaid and CHIP Payment Access Commission, [Medicaid Payment for Services Delivered in Residential Care Settings](https://www.macpac.gov/subtopic/medicaid-payment-for-services-delivered-in-residential-care-settings/): <https://www.macpac.gov/subtopic/medicaid-payment-for-services-delivered-in-residential-care-settings/>
- National Center for Assisted Living, [Medicaid Policy](https://www.ahcancal.org/ncal/advocacy/Pages/Medicaid.aspx): <https://www.ahcancal.org/ncal/advocacy/Pages/Medicaid.aspx>
- National Center for Assisted Living, [Assisted Living State Regulatory Review](https://www.ahcancal.org/ncal/advocacy/regs/Pages/AssistedLivingRegulations.aspx): <https://www.ahcancal.org/ncal/advocacy/regs/Pages/AssistedLivingRegulations.aspx>

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