Assisted living is a major and growing component of the long term care spectrum. Medicaid beneficiaries should have access to the appropriate care setting to meet their needs.

We are concerned about a Centers for Medicare & Medicaid Services (CMS) proposed rule that seeks to define Medicaid home and community-based services (HCBS) settings for the first time. These regulations have the potential to exclude many types of assisted living communities from the Medicaid program.

Medicaid coverage for Assisted living is already limited; the proposed rule would make the situation worse.

- Medicaid rates are typically far less than market rates.
- Assisted living is a non-institutional, community-based care setting, in which Medicaid does not pay for room and board.
- CMS’ latest proposed regulation defining HCBS settings, while much improved over previous versions, could seriously restrict access to assisted living services for many of the approximately 139,000 residents receiving Medicaid services in these settings nationally.

The proposed rule is problematic for the following reasons:

- Assisted living facilities that happen to be located near existing long term care facilities could be excluded from the Medicaid program. Options that would be jeopardized include continuing care retirement communities (CCRCs) and multi-level campuses.

- Many elderly residents prefer to live where health care services are readily available. Multi-level campuses allow spouses with varying health care needs to continue to live in close proximity to each other.

- Medicaid beneficiaries would be prevented from sharing units. The goal of single occupancy may be laudable, but it would run contrary to the policy in many states which allow residents to share units to control the costs of room and board. Further, innovative designs involving shared units could be inadvertently discouraged. Prohibiting shared units will shrink the supply of assisted living services available to Medicaid beneficiaries.

Key Facts

- About 750,000 Americans now live in assisted living or residential care communities. Assisted living communities provide resident-centered care that respects individual choice, dignity, and autonomy. Services include assistance with activities of daily living (e.g., dressing, bathing or using the bathroom) and medication management.

- The typical assisted living resident is an 87-year-old woman with a median annual income of $19,000, according to national research.

- About 19 percent of assisted living residents receive care paid for under the Medicaid program.

- By law, the Medicaid program cannot pay for room and board in home and community-based settings.