

The Untapped Potential of Assisted Living in Addressing the Housing and Care Needs of Medi-Cal Enrollees

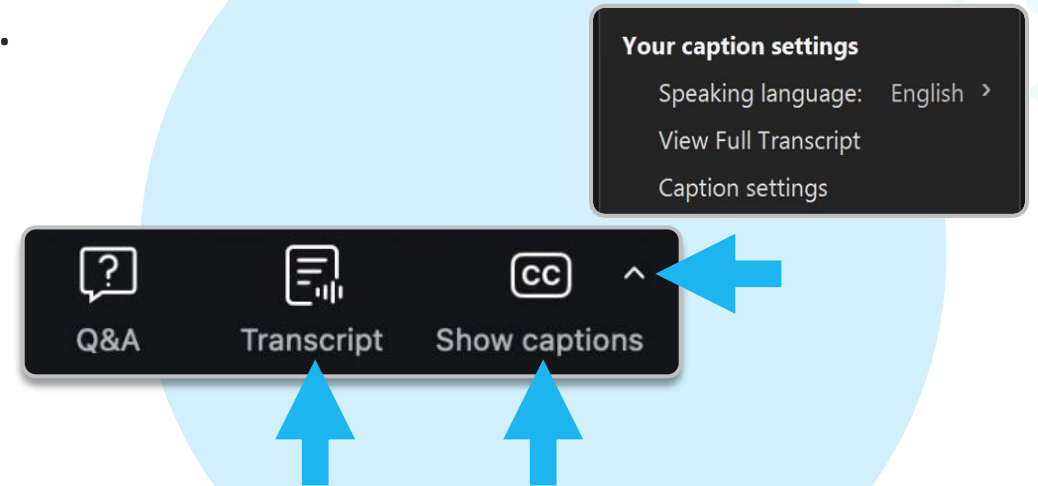
Assisted Living for Medi-Cal Enrollees: Virtual Learning Series

May 20, 2025

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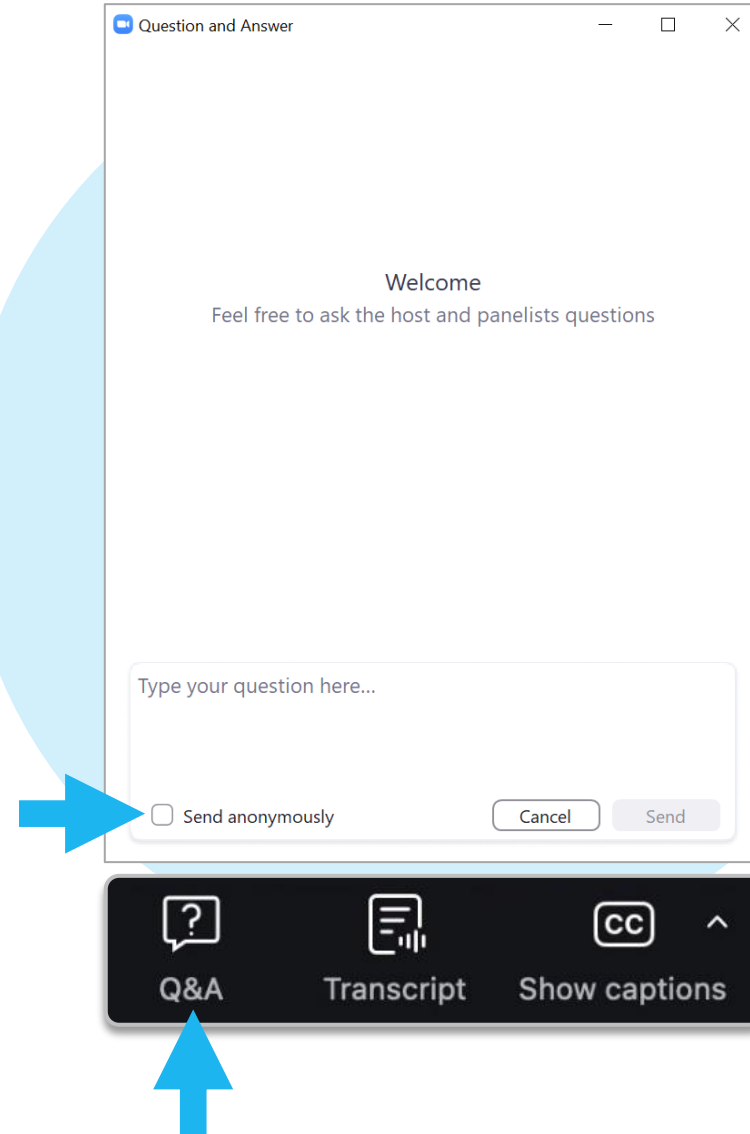
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Agenda

- Welcome and Introductions
- Overview of Virtual Learning Series
- Assisted Living 101
- California's Assisted Living Financing Landscape
- Assisted Living: Key Concerns and Benefits (Panel Discussion)
- Q&A



Today's Objectives

- ✓ Learn about the *Assisted Living for Medi-Cal Enrollees: Virtual Learning Series* and how it can assist in improving services for Medi-Cal populations
- ✓ Gain a better understanding of California's assisted living landscape, including eligible populations and Medi-Cal/non Medi-Cal financing pathways
- ✓ Increase understanding of the benefits of assisted living for various stakeholders
- ✓ Engage in cross-stakeholder discussions and identify opportunities for further collaboration



Welcome & Introductions

Meet the Team



Sarah Triano

Associate Director, Long-Term Services and Supports and Disability Policy
Center for Health Care Strategies



Kate Meyers

Senior Program Officer, People-Centered Care
California Health Care Foundation



Emma Rauscher

Program Officer
Center for Health Care Strategies



Zackiya Grant-Knight

Program Officer
Center for Health Care Strategies



Torshira Moffett

Senior Program Officer
Center for Health Care Strategies



Meryl Schulman

Senior Program Officer
Center for Health Care Strategies

Meet Today's Speakers



Paula Hertel

Independent Consultant
Senior Living Consult



Mark Cimino

CEO
CiminoCare



Katie Panarella

Program Director, Community Supports
Anthem Blue Cross



Kerry Landry

Independent Consultant
Kerry Landry Health Care Consulting

Center for Health Care Strategies

Dedicated to strengthening the U.S. health care system to ensure better, more equitable outcomes, particularly for people served by Medicaid.

Together with our partners, our work advances:



Effective models for prevention and care delivery that harness the field's best thinking and practices to meet critical needs.



Efficient solutions for policies and programs that extend the finite resources available to improve the delivery of vital services and ensure that payment is tied to value.



Equitable outcomes for people that improve the overall well-being of populations facing the greatest needs and health disparities.



California Health Care Foundation



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The California Health Care Foundation is an independent, nonprofit philanthropy that works to improve the health care system so that all Californians have the care they need.

We focus especially on making sure the system works for Californians with low incomes and for communities who have traditionally faced the greatest barriers to care.

We partner with leaders across the health care safety net to ensure they have the data and resources to make care more just and to drive improvement in a complex system.

Learn more at www.chcf.org.

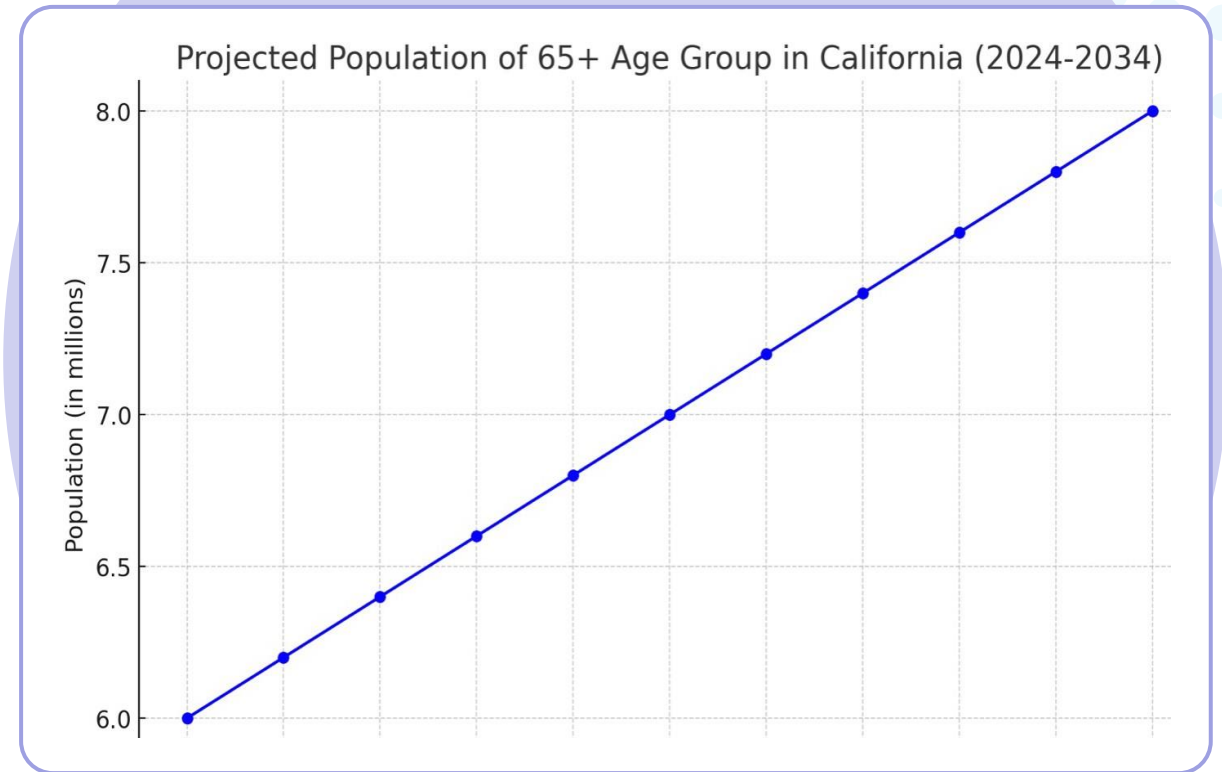
Overview of Assisted Living for Medi-Cal Enrollees: Virtual Learning Series

Emma Rauscher, CHCS

Why Is This Important?

- To date, more than 1 in 10 nursing home residents in California have low care needs
- This population could potentially be well served in other settings, like assisted living communities or at home — particularly as the aging population grows over the coming decade

<https://ltsschoices.aarp.org/scorecard-report/2023/states/california>



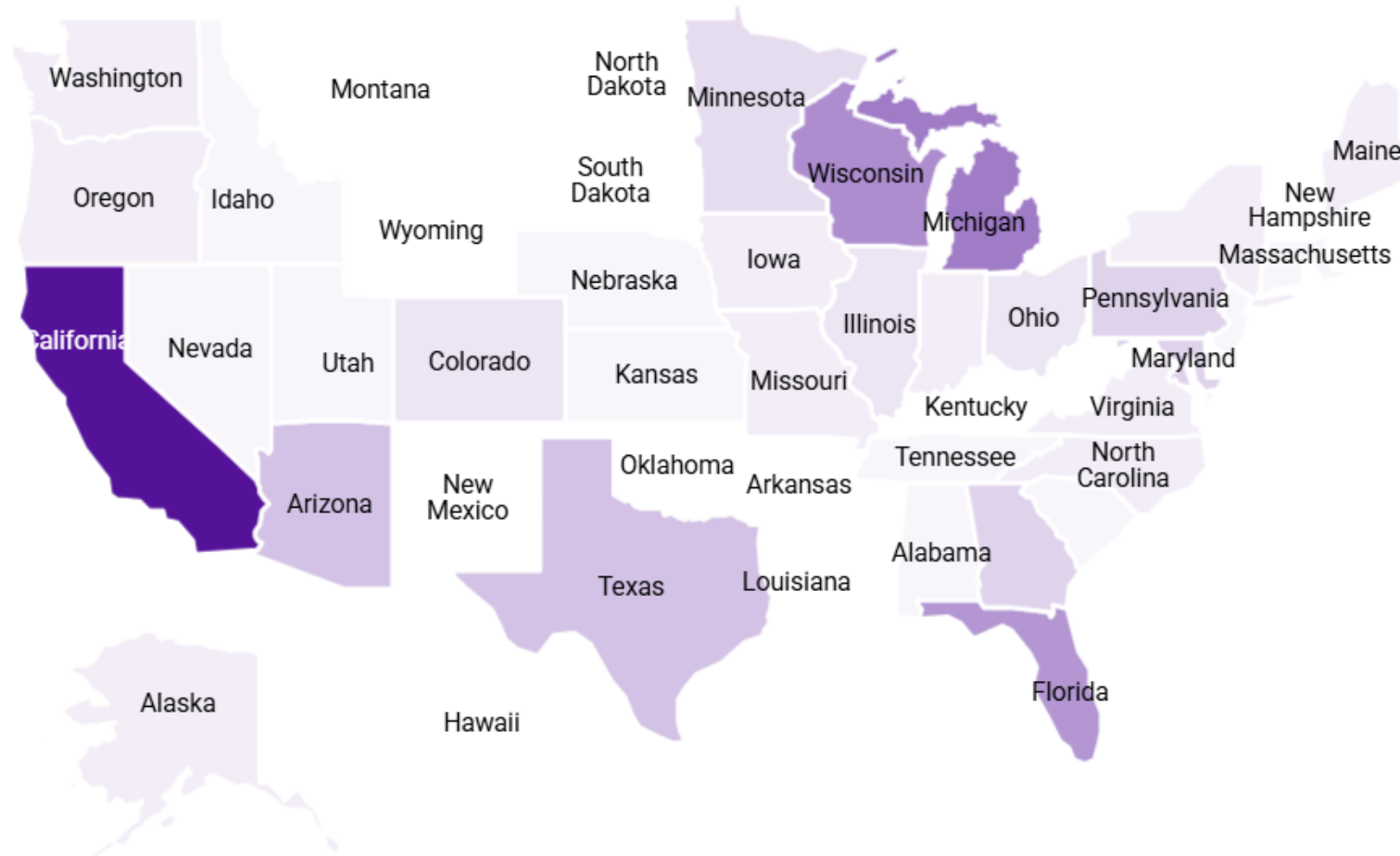
Older adults are the fastest growing segment of the population experiencing homelessness

- Between 2017 and 2021, California's population age 55+ grew by 7%, but the percentage of this population that sought homelessness services increased by 84%.
- Nationally, adults age 50+ experiencing homelessness is expected to triple by 2030.
- California has a high number of older adults (50+) experiencing homelessness for the first time.
- Older adults experiencing homelessness are more likely than younger adults to have disabilities that require assistance with activities of daily living.
- People experiencing homelessness after age 50 are 3.5 times more likely to die within 4-5 years than other adults — and die at a faster rate than the under-50 homeless population.



[“Making CalAIM Work for Older Adults Experiencing Homelessness,” California Health Care Foundation, July 2023.](#)

California has the highest number of Assisted Living Facilities in the country



Assisted Living and Medi-Cal

- **Select goals of CalAIM:**

- Build a more coordinated, person-centered, and equitable health system
- Address social determinants of health, including housing, through Community Supports to help Medi-Cal enrollees remain in home- and community-based settings

- **Medi-Cal managed care plans** are now responsible for providing institutional long-term care, and may be responsible for additional home- and community-based services in future phases of CalAIM

- There is a **need for cross-stakeholder collaboration** to better deliver services to Medi-Cal enrollees in assisted living settings



Virtual Learning Series Goals

- Explore opportunities to strengthen cross-sector partnerships to improve appropriate, timely, and effective use of assisted living communities for people with functional needs, including:
 - Older adults and people with disabilities
 - People with behavioral health needs
 - People experiencing homelessness



Assisted Living 101

Paula Hertel, Senior Living Consult

What are Long-Term Services and Supports (LTSS)?

- A wide variety of **social, functional, and health-related** services
- Provided on an **ongoing**, often daily, basis
- For individuals **of all ages** with **functional impairment** due to barriers created by the interaction between the environment and their physical, cognitive, developmental, substance use, or mental disabilities, as well as chronic illness
- **Need help with**
 - Activities of daily living (ADLs) and/or
 - Instrumental activities of daily living (IADLs)



ADLs



Eating



Getting in and out of bed



Getting around inside



Getting dress



Bathing



Toileting

IADLs



Grocery shopping



Preparing meals



Laundry



Housekeeping



Medication management



Telephone use



Getting around outside



Money management

Where Does Assisted Living Fit into the LTSS Continuum of Care?

Hospital

Skilled Nursing or Rehabilitation Centers

Assisted Living – Residential Care Facilities for the Elderly (RCFE) and Adult Residential Care Facilities (ARF)

Ancillary Services – Enhanced Care Management (ECM), Home Health Aid (HHA), Hospice, Rehab and Clinical Therapies

Independent Residences

What is Assisted Living?

- ✓ Residential community that provides *both* housing and mostly non-medical personal care/LTSS
- ✓ Licensed, regulated by the state (CA Department of Social Services)
- ✓ Provides separate dwelling units for residents, each of which may contain a full kitchen and bathroom, and which includes common rooms and other facilities for supportive services



DHCS: *“Participating Assisted Living Waiver (ALW) facilities are not regarded as healthcare facilities, but social-based facilities. Although the RCFE/ARF is a licensed facility, ALW residents are considered as living in their own home, not in a healthcare setting.”*





Example of Assisted Living Community – Sacramento, CA



Two Assisted Living Types

Residential Care Facilities for the Elderly (RCFE)

Adult Residential Facilities (ARF)

Age 60+		Age 18-59
ADL care, oversight, engagement and community		ADL care, oversight, social and behavioral support
7,492 licensed facilities in California		5,754 licensed facilities in California
201,610 beds		36,618 beds

Medical Care Model

Skilled Nursing Facilities

California Department of Public Health

- Room and board (short-term or long-term)
- Observation and oversight
- Coordination of health care
- Medication management
- Assistance with ADLs and IADLs
- Skilled nursing care
(24/7 staffing by licensed nurses)
- Rehabilitation/therapy services
(e.g., physical, occupational, speech)

Non-Medical Care Model

Assisted Living

California Department of Social Services

- Room and board (short-term or long-term)
- Observation and oversight
- Coordination of health care
- Medication management
- Assistance with ADLs and IADLs
- Assistance with transportation
- 24/7 staffing by non-clinical staff
- Social/recreational activity supports
- Physical activity supports
- Typically, “home-like” residences
(e.g., private apartments or rooms);
amenities vary widely

Optional/Specialized Services

- Licensed nurses on staff
- Dementia care, secured perimeters
- Diabetes management programs
- Coordination of end-of-life care
- Mental health/behavioral health programs

Who Uses Assisted Living?

- **In the U.S.**, approximately 1 million people reside in assisted living facilities.
 - 92% non-Hispanic white
- **In California**, over 238,228 people can reside in these communities.
 - 69% women, 31% men
 - 50% age 85+, 36% 75-84, 11% 65-74, 2% under 65
 - Less than 1% of all Medi-Cal LTSS users in California

<https://www.cdc.gov/nchs/data/databriefs/db506.pdf>

[https://www.caassistedliving.org/CALA/Residents_Families/Senior Living in California/RCFEs by the Numbers.aspx#:~:text=RCFEs%20are%20licensed%20by%20the,What%20do%20RCFEs%20provide?](https://www.caassistedliving.org/CALA/Residents_Families/Senior_Living_in_California/RCFEs_by_the_Numbers.aspx#:~:text=RCFEs%20are%20licensed%20by%20the,What%20do%20RCFEs%20provide?)

<https://www.ahcanal.org/Assisted-Living/Facts-and-Figures/Documents/State%20Facts/California-AL.pdf>

Assisted Living: By the Numbers

ADL Needs



Common Conditions and Disabilities



Typical Length of Stay

- Assisted living cannot be identified as either an interim housing solution or long-term housing solution.
 - It is all the above, can even be used for daily respite
- The average length of stay continually declines.
 - Used to be around 2.5 years, now is probably under 2 years
- People are waiting longer to enter assisted living and coming with more acute health issues. *(interview with an assisted living operator)*

Medi-Cal and Non-Medi-Cal Assisted Living Financing Landscape

Sarah Triano, CHCS

Average Cost of Assisted Living and Available Financing Mechanisms

	Medical Care Model (Skilled Nursing Facilities, other)	Non-Medical Care Model (Assisted Living)
Assistance with ADLs and IADLS	Covered by Medi-Cal	Covered by Medi-Cal
Room and Board	Covered by Medi-Cal	NOT Covered by Medi-Cal
Average Cost in California	\$13,231/month for SNFs <i>**Between \$10,500-\$23,500/month for a psychiatric hospital or facility</i>	\$6,250/month

Sources: California Assisted Living Association, "Assisted Living in California."
 California Association of Local Behavioral Health Boards and Commissions, ["Adults Residential Facilities: The critical need for 'board and care' facilities."](#)

Medi-Cal-Only Sources of Funding for *Services* in Assisted Living Communities

1915(c) HCBS Waiver

- **Assisted Living Waiver**
- Medi-Cal fee-for-service benefit
- Only **2%** of assisted living residents in California have Medi-Cal compared to **66% in Connecticut**
- Of the 47 states that provide some assistance to Medicaid residents in assisted living, only **Alabama** and **Louisiana** have a lower share of residents relying on Medicaid than California

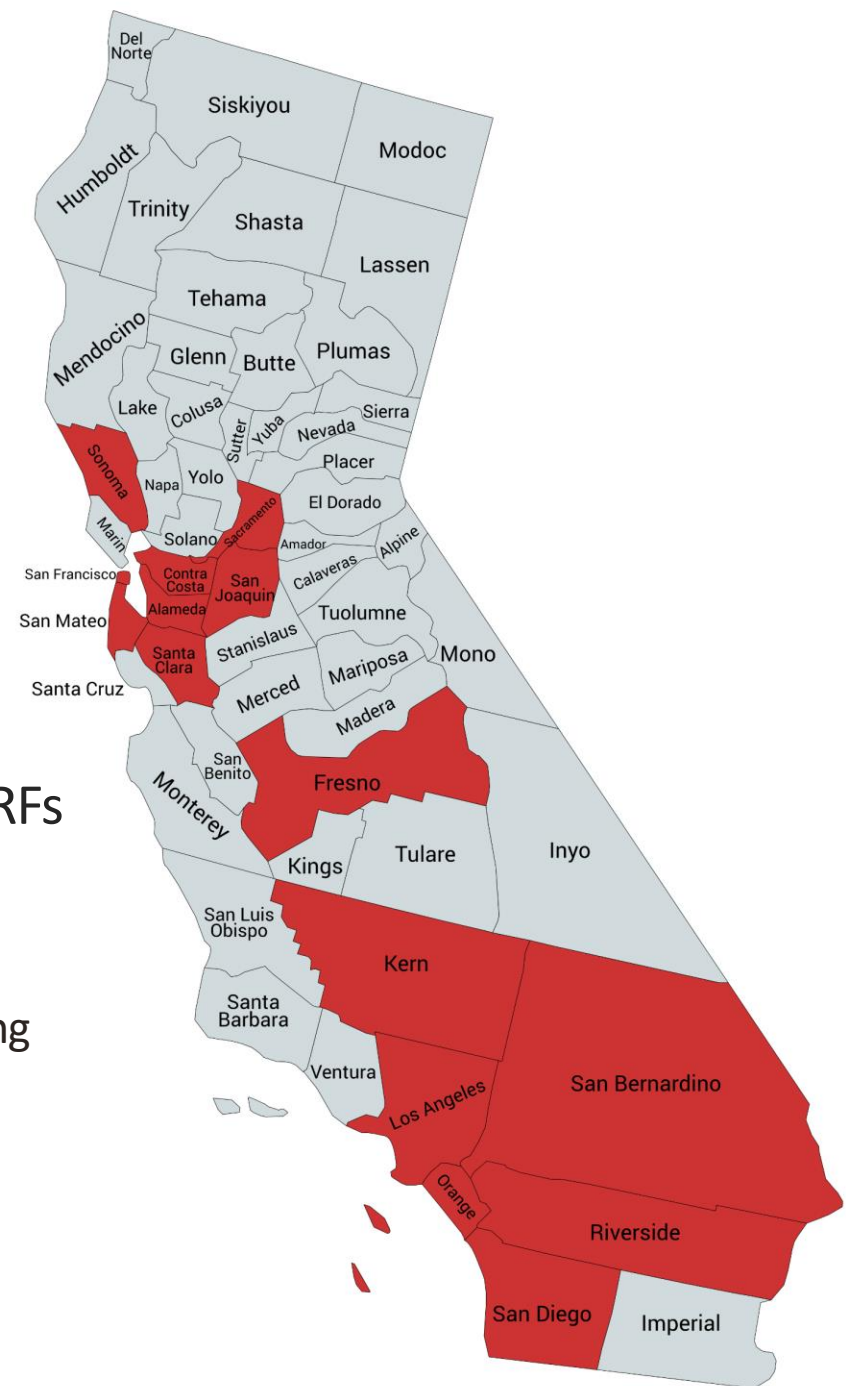
1115 Demonstration & 1915(b) Waiver

- **CalAIM Assisted Living Facility Transitions Community Support (AL CS)**
- Only **906** people received the AL CS across California between September 2023 and September 2024

**Note, residents can be enrolled in either ALW or AL CS, but not in both; can be enrolled in either California Community Transitions or AL CS, but not in both.*

California's Assisted Living Waiver

- Five-year federal waiver approval expires February 28, 2029
- Available in 15 counties only
- Enrollment capped at 14,544 (yr 1), 16,344 (yr 2), 18,144 (yr 3), 19,944 (yr 4), and 21,744 (yr 5)
- 15,899 currently enrolled; 10,086 on waitlist as of February 2025
- Represents 1% of all Medi-Cal LTSS users in California
- 39% white, 12% Hispanic, 10% Black, 9% Asian/Pacific Islander, 0.39% American Indian/Alaskan Native, 30% other or unknown
- 1,104 ALW approved facilities (8% of the 13,550 total RCFEs and ARFs in California), and 8 Public Subsidized Housing approved facilities
- Long approval process
 - 14 months, on average, to become an ALW provider, even longer for ARFs serving Medi-Cal residents with behavioral health needs)
- Care coordination provided by Care Coordination Agencies
- Statewide reimbursement tiers set by DHCS



Assisted Living Facility Transitions CS

- Part of five-year federal waiver approval that expires December 31, 2026
- Available in 42 (72%) of California counties as of July 2025
- 588 people used the CS during Q3 of CY2024, (160 Anthem Blue Cross members in Sacramento County, 31% of total)
- Represents 0.01% of all LTSS users in California
- Racial disparity data unavailable
- 63 AL CS provider contracts in Q2 of CY2024
- MCP contracting/credentialing process can be cumbersome
- Care coordination entity not always clear (with some exceptions)
- Rates variable — negotiated locally between providers and MCPs (unless in hub)



Some of the Available Financing Mechanisms for Services in Assisted Living Communities in California

- **Private pay**
- **Public sources:**

1. Medi-Cal:

- Assisted Living Waiver (ALW)
- Assisted Living Facility Transitions Community Support (*formerly NF Transition/Diversion to ALF*)

2. County:

- Behavioral Health
- Adult Protective Services (APS)
- Designated funds for conserved individuals
- “Patches”

3. Programs for All Inclusive Care for the Elderly (PACE)

4. Hospital contracts

5. Housing and Homelessness Incentive Program (HHIP)

6. Regional Center funding

- Supported Living Services (SLS)

7. U.S. Department of Veterans Affairs

Source: Some, but not all, from: [The Future Organization, “Serving Our Vulnerable Populations: LA County ARFs & RCFEs.”](#)

Some Funding Mechanisms for *Room & Board* in Assisted Living Communities

- Private pay
- Public sources:

1. Supplemental Security Income/Supplemental Security Disability Income

- Capped at **\$694.07** in 2025

2. Behavioral Health Services Act Housing Interventions fund

- More flexible than ALW or AL-CS on payment of rent, applies to ARFs and RCFEs
- Depends on the individual's eligibility and the specific program being used

3. County or City Housing Choice Vouchers (HUD)

- Typically does not cover full cost of room and board (e.g., meals), **only rent portion**

4. Regional Center funding

- Covers cost of **room and board** in non-Market ARFs and RCFEs for eligible participants

**Note: The Housing Deposit and Transitional Rent CS in CalAIM cannot be used to cover room and board in assisted living settings*

Behavioral Health Bridge Housing (BHBH)

- Funded through [Behavioral Health Services Act \(BHSA\)](#) and a \$6.4 billion [Behavioral Health Infrastructure Bond](#) (30-year expiration, generally).
- Available in [57](#) counties for individuals experiencing homelessness and who have a serious behavioral health disability
- Assisted living is an [allowable](#) “bridge housing setting”
- Supplemental funding (“[board and care patches](#)”) available
 - Help assisted living facilities fill funding gaps to accept and serve people with serious behavioral health disabilities
- No statewide utilization or disparity data currently available
- [Health Plan of San Mateo](#) innovative partnership with [San Mateo County Behavioral Health and Recovery Services](#)



Assisted Living Funding Cheat Sheet

		ALW	AL CS	BHBH
Funding Authority				
	1915(c) HCBS Waiver (expires 2/8/2029)	X		
	1115 Demonstration/1915(b) (expires 12/31/2026)		X	
	BHSA and Behavioral Health Infrastructure Bond			X
Eligibility				
	Full-scope, without a Medi-Cal share-of-cost	X	X	
	Age 21+ (for RCFE or ARF)	X	X	
	Age 18+ (For Adult Residential Facility only)		X	
	Nursing facility level of care (NFLOC)	X	X	
	Willing/able to live in community	X	X	
	In 1 of 15 ALW counties	X		
	In 1 of 42 counties (as of 7/2025)		X	
	60+ days in nursing facility (for NF transition)	X	X	
	Experiencing unsheltered homelessness and have a serious BH condition			X
	Capped enrollment and waitlist	X		
Priority for Eligibility				
	Based on institutional residency for 60 days and urgency of individual case	X		
	County specific (justice involved, older adults (55+), former foster youth, CARE program)			X

		ALW	AL CS	BHBH
Settings				
	RCFE	X	X	X
	ARF	X	X	X
	Public Subsidized Housing with Assisted Care	X		
Rates				
	Statewide reimbursement rate tiers set by DHCS	X		
	Reimbursement rates negotiated locally between providers and plans (unless in hub)		X	
	Supplemental rate: Auxiliary funding ("board and care patches") paid by some counties			X
Care Coordination				
	Care Coordination Agencies (CCAs)	X		
	ECM Provider or Hub		X	
	Community Transition Teams			X
Services				
	ADL & IADL support	X	X	X
	Services that help establish residence	X	X	
	Room and board			X
	Supportive services not currently supported through other sources			X

Panel Discussion

Katie Panarella, Anthem Blue Cross

Kerry Landry, Kerry Landry Health Care Consulting

Mark Cimino, CiminoCare

Q&A

Assisted Living for Medi-Cal Enrollees: Virtual Learning Series

- **June 17, 2025, 9-10:30am PT**

- *Who Thrives in Assisted Living? Strategies for Effective Assessments Across Settings*

- **July**

- *Navigating Assisted Living Entry: Strengthening Referral Partnerships for Successful Transitions*

- **August**

- *Sustained Support: Continued Partnership to Ensure Resident Well-Being*

- **September**

- *What Comes Next?*



Contact CHCS

Emma Rauscher: erauscher@chcs.org

Zackiya Grant-Knight: zgrantknight@chcs.org