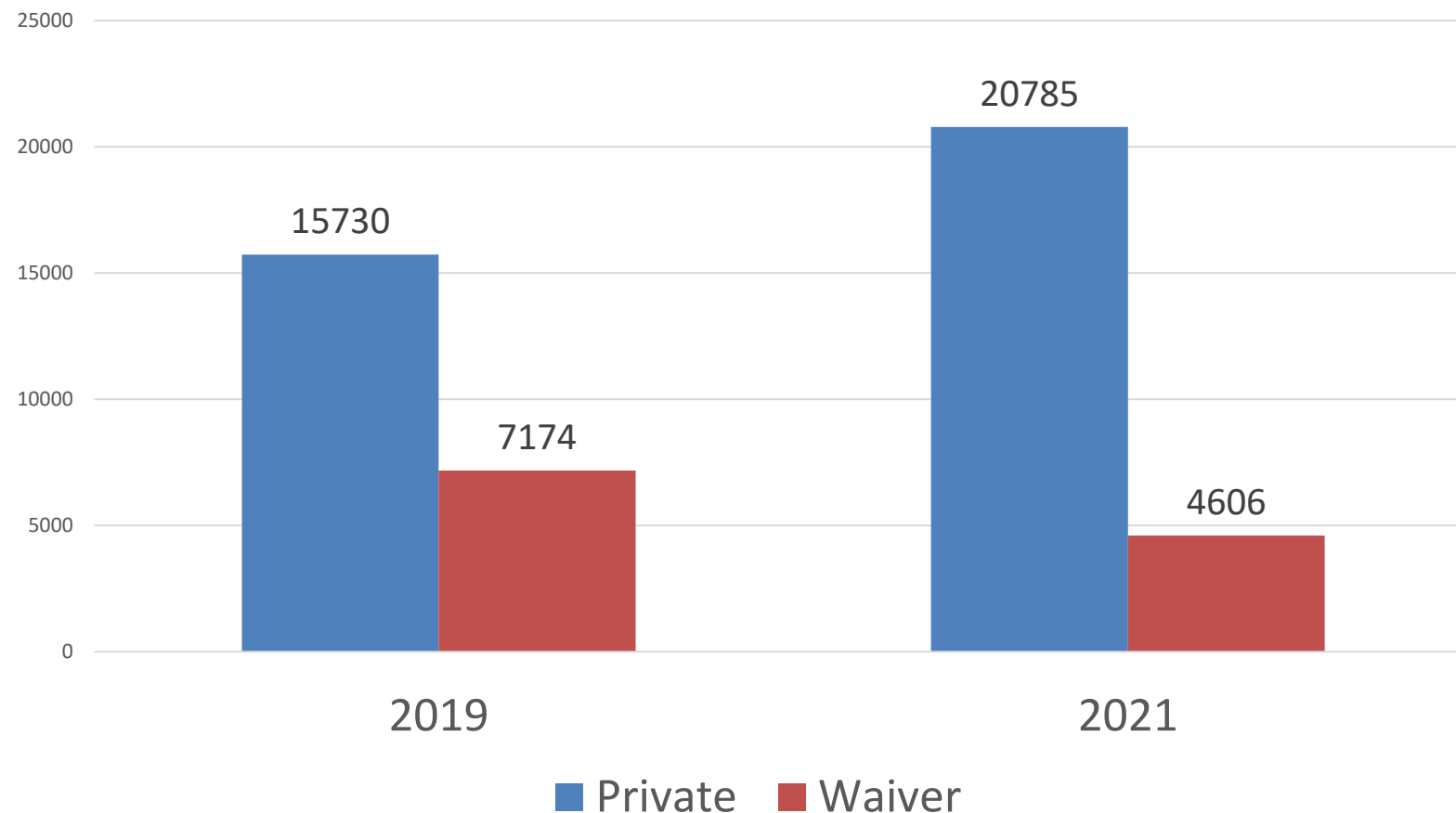


# Assisted Living Landscape In Maryland

**Comparison of Private Pay to Medicaid  
Assisted Living Beds 2019 - 2022**



- In 2022, of 25,3919 Assisted Living Beds in Maryland, only 4,506 are Medicaid certified. In 2019, *only 1,060 Medicaid certified beds were occupied by older adults* enrolled in the Medicaid waiver.
- The number of Medicaid certified Assisted Living beds has decreased by 2,568 (35.8%) in three years.
- The vast majority of Assisted Living residences that are eligible to serve Medicaid Waiver clients are small, adult foster homes serving ten or fewer clients.

Source: Maryland Department of Health and Mental Hygiene, Office of Health Care Quality, Assisted Living Programs as of October 1, 2018, accessed at:

[Maryland Department of Health, Office of Health Care Quality, Assisted Living Programs as of December 31, 2021, accessed at: https://app.smartsheet.com/b/publish?EQBCT=08adff96ac8c4d18a97bf909162a2250.](https://app.smartsheet.com/b/publish?EQBCT=08adff96ac8c4d18a97bf909162a2250)

# The Maryland State Plan on Aging Projects

## Significant Increase in Demand for Services

- Between 2015 and 2030, Maryland's 60+ population is expected to increase from 1.2 to 1.7 million, a 40% increase.
- Individuals 80-84 are the fastest growing segment of the population.
- The largest number of older adults (60+) reside in Baltimore City and in Anne Arundel, Baltimore, Montgomery County and Prince George's Counties.
- The greatest number of low-income minority older adults live in Baltimore City.
- The geographic distribution of Maryland's senior population is shifting. By 2040, while Baltimore City, Anne Arundel, Baltimore, Montgomery and Prince George's Counties will still have the largest number of individuals over age 60; the largest percentage increases in older adults will be in Cecil, Charles, Frederick, Howard and Somerset Counties.

Source: Maryland Department of Health and Mental Hygiene, Office of Health Care Quality, Assisted Living Programs as of October 1, 2018, accessed at:

# New Solutions are Needed to Provide Low-cost HCBS, Promote Health and Disease Prevention and Avoid Costly Nursing Home Care

- On average, in FY 2021, Maryland Medicaid paid \$282.50\* per resident day for nursing home care.
- Assisted living can be provided at much lower cost.
- There are currently over 26,000 older adults on Maryland's registry who are waiting for HCBS services.

\*Source: Maryland Nursing Facility Rates by Region for ALF FY 2022

# The AALC Vision

- Low-income seniors deserve affordable Class A assisted living.
- AALC communities are designed to provide every individual or couple with their own studio or one bedroom apartment.
- Communities typically serve 80-150 residents and offer housing, supportive services, supervision, personalized assistance with ADLS, nutrition services, activities and opportunities for socialization and monitoring of health care including assistance with medications.
- Most importantly, no public funding is needed for construction. These communities are built and financed entirely with private funding through the sale of federal tax-exempt bonds and equity raised from the sale of 4% Low Income Housing Tax Credits.

# AALC Communities Improve Health and Reduce Costs

- Illinois has the largest Medicaid funding Assisted Living program in the country. With over 154 operating sites and 12,755 apartments, the Illinois Affordable Assisted Living Coalition calculates that the State saves from \$104 to \$150 million annually by keeping people out of costly nursing homes.
- To increase access to AL and reduce reliance on nursing homes, the District of Columbia increased its Medicaid reimbursement rate to \$155/day in 2015. The rate today is \$199.28. The number of ALR Medicaid beds has grown from 33 to 271 with another 200 plus units in production. These new units of housing are making it possible for DC to move nursing home residents to community-based settings and to house seniors who are unstably housed or have histories of homelessness.
- The National Academy of Sciences found that one of the greatest predictors of early mortality in seniors is social isolation and loneliness. Other studies link social isolation and loneliness to poor physical and mental health, loss of cognitive function and chronic illness. Opportunities for socialization and activities are hallmarks of assisted living care.

## AALC Benefits cont.

- AL Communities are purpose-built to meet the needs of frail seniors and promote their safety and independence. AI Communities address seniors' nutritional needs and monitor medications for optimal results.
- AL Communities provide 24-hour staffing and have contingency plans to mitigate breakdowns in care delivery and continuity that occur frequently in home settings.
- AL Communities pay for the cost of monitoring and oversight through licensure fees.



# Community Benefits

- Construction Jobs and Contracts
- 60-80 Permanent Jobs – Entry Level and Professional Level Positions
- Community Space
- \$4 Million in annual service and employment related expenditures
- Affordable Housing
- World Class residential space for seniors:
  - Apartment-style housing
  - Personal care
  - Supportive services
  - Personal care
  - Homemaking
  - Laundry
  - Medication Supervision
  - Transportation
  - Social activities
  - Recreation
  - 24 hour staff

# Challenges – Current Medicaid AL Payments Rates are Inadequate to Support High Quality AALC

- Today, there are two components to how assisted living providers are paid under the Medicaid Community Options Waiver:
  - Per Diem Rate for Services – Paid by Maryland Medicaid
  - Room and Board Allowance – Paid by Resident from SSI or other Income Source.
- A recent Hilltop Institute study (draft) concluded that current per diem rates were 31% to 44% below the estimated cost of providing services.\*
- The current monthly room and board allowance is \$420 per month or \$14 per day. It has been stagnant for a very long time.
- Waiver enrollment is capped. Currently, over 26,000 are waiting for services.

\* Source: The Hilltop Institute, Program 3 and Brain Injury Waiver, Rate Methodology Study (DRAFT), September 19, 2018.



# Solution – Affordable Assisted Living Enhanced Care (AALEC) Pilot

- Through legislation, amend Maryland's current 1115 Waiver to establish a pilot program designed to test the feasibility and cost-effectiveness of providing enhanced care to low-income seniors in an assisted living community that meets minimum standards:
  - Is built or renovated with Low-Income Housing Tax Credits;
  - Offers private, one-bedroom or studio apartments to individuals and couples;
  - Serves individuals or couples whose income, on average does not exceed 60 percent of the Area Medium Income (AMI).
  - Provides person-centered, individualized care, care management and regular, proactive monitoring of health status;
  - Uses electronic medical records to improve care monitoring, quality oversight and support tracking and reporting of quality indicators;
  - Offers assessment and referral to therapy and restorative nursing programs, medication management, dietary services, activities to reduce social isolation and helps seniors maintain an active lifestyle.

# AALEC Would Provide Adequate Reimbursement While Maintaining Cost Neutrality

- Payment rate, expressed as a percentage of the nursing home rate for a resident care day in the region, must be adequate to support the program and to ensure provider participation. Using a rate expressed as a percentage of the average nursing home rate ensures that the program will be cost neutral and will keep pace with inflation.
- Increase Room and Board allowance from \$420 to *at least* the current SSI benefit amount (\$841 in 2022) but may be more in high-cost areas.
- Maintain Post-eligibility Resident Contribution Requirements for Medicaid eligible residents with incomes above SSI benefit amount to lower State and Federal expenditures for services and promote cost neutrality.
- Allow Private Pay residents who are below the LIHTC income eligibility threshold.
- Create employment opportunities in local communities.
- Provide for evaluation on key quality measures.