



POLICY OPTIONS IN BRIEF

There are 7 policy options in the report for Member consideration. Below are highlighted options.

Option: Increase the base AG rate to \$2,500 per month (Option 1, page 12)

Option: Provide a one-time, lump sum payment to ALFs that serve a new AG resident, above the number of AG residents that they currently serve (Option 2, page 14)

Option: Expand the list of eligible living arrangements for the AG program to allow AG recipients to remain in the community and coordinate their own care as needed and direct DBHDS and DARS to develop a plan to create a separate increased rate for AG supportive housing (Options 3-4, page 22-23)

Option: Increase the personal needs allowance and include language tying the personal needs allowance to federal cost of living adjustments for the SSI program (Option 5, page 26)

October 2022

Affordability of Assisted Living Facilities

FINDINGS IN BRIEF

The Auxiliary Grant rate is insufficient to cover the cost of assisted living in Virginia, resulting in limited access

The AG rate has remained relatively flat for the last 13 years with the exception of small cost of living adjustments to comply with federal requirements. During that time period, the AG rate increased just 28% while the typical cost of assisted living increased by 64%, after adjusting for inflation. As a result, there has been a 41% decrease in facilities that participate in the AG program and the number of AG recipients since 2010. ALFs that do accept AG often have to rely on outside services or financial support, and they are more likely to have licensing violations.

Leveraging Medicaid payments to cover services in assisted living would require significant changes

Medicaid can pay for services to eligible individuals who live in an assisted living facility, but it cannot pay for the cost of room and board. ALFs would have to meet federal criteria as a home and community-based setting for residents to be eligible for Medicaid-funded LTSS. A limited number of ALF residents would be eligible for Medicaid-funded services, unless eligibility criteria are expanded.

Other community settings could be more cost-effective for individuals seeking AG payment in ALFs

Funding community-based services could meet the needs of the AG population with lower functional needs such as adult foster care. Adult foster care and AG supportive housing are already allowable community settings for AG recipients, but their availability is extremely limited. Other states allow residents to reside in more community settings, and modify their rates based on the setting.

Increased personal funds can improve quality of services for current AG recipients

The personal needs allowance for AG residents has not increased since 2014, reducing individual's ability to pay for necessary personal items and services not provided by ALFs. These are the only personal funds AG residents have after paying the ALF.

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