

IN BRIEF

AN OVERVIEW OF ASSISTED LIVING: 2004

This In Brief summarizes the findings of the AARP Public Policy Institute Issue Brief, *An Overview of Assisted Living: 2004*.^{*} Assisted living provides housing and services to individuals who need some assistance with activities such as bathing or getting around at home but do not need complex medical care. Assisted living has expanded options for many older persons in need of long-term services, enabling them to remain independent in a residential setting, rather than move to a nursing home. At the same time, the rapid growth of assisted living has led to a number of issues of concern to consumers, providers, and regulators. The issue brief summarizes the findings of some of the latest studies on assisted living in the United States and examines their implications for state policymakers and consumers of long-term supportive services. Key findings are:

Residents and Services

The typical assisted living resident is a widowed White woman, age 85. While the needs of residents and the services provided vary, assisted living residents, on average, have fewer needs for assistance than nursing home residents or persons receiving home care. The ability of assisted living residences to meet the needs of individuals with Alzheimer's disease or other cognitive impairment is particularly important, given that almost half of the residents have these conditions, and many residences advertise providing such services. Increasing numbers of states are adopting standards specific to residences that serve these individuals.

The Degree to Which Assisted Living Residences Carry Out the Assisted Living Philosophy

Definitions of assisted living often include a philosophy that responds to consumer preferences by focusing on: residents' independence, dignity, and choice; services that meet their scheduled and unscheduled needs; services that minimize the need to move; and a homelike environment with private accommodations. The degree to which assisted living residences carry out the tenets of this philosophy varies, depending on the individual residence's policies and practices and the laws and regulations of the state.

The Cost and Affordability of Assisted Living

Estimates of the average monthly rate in assisted living range from approximately \$2,100 to \$2,900 a month.¹ Most residents pay out of their own pockets. Few people have private insurance coverage, and public subsidies are limited in that they have stringent eligibility criteria, generally do not cover the full cost of staying in assisted living, and may provide funding only for a limited number of eligible applicants.

Assuring Quality and Consumer Protection

States monitor and enforce quality standards through periodic inspections and by investigating complaints. Some states have supplemented their monitoring and enforcement with additional methods of ensuring quality, such as consultation with providers, public disclosure of information on quality, the Long-Term Care Ombudsman Program, and private right of action laws. Both state

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licensing agencies and ombudsmen offices sometimes lack the staff and resources necessary to ensure that complaints are resolved and that residences comply with quality standards. Recent studies have documented quality and consumer protection problems in a number of assisted living residences. Problems related to staffing and disclosure of information to consumers have received particular attention.

Efforts to Promote Affordability and Quality

The federal government and the states, consumers and advocates, assisted living providers, and others have initiated a variety of efforts to promote affordability and to improve quality in assisted living. Medicaid is the primary means of subsidizing the cost of assisted living. Additional efforts to make assisted living more affordable include: the Department of Housing and Urban Development's (HUD's) Assisted Living Conversion Program; another HUD program, Section 232 of the Federal Housing Administration's mortgage insurance program; state programs that bring assisted living services to residents of subsidized housing; the Coming Home Program, a program of National Cooperative Bank (NCB) Development Corporation; and the federally sponsored nursing home relocation program. Efforts to improve quality include the Assisted Living Workgroup, initiated by the U.S. Senate Special Committee on Aging in 2001.

Policy Implications

Recent research on assisted living suggests several challenges for policymakers:

One challenge is to ensure that assisted living (and other long-term service settings) provide services and an environment consistent with what consumers want. A step that states could take is to review or revise their regulations to make them consistent with the assisted living philosophy. For example, states could: include the philosophy in the definition of assisted living; require sufficient services to meet residents' needs; specify a process for shared responsibility agreements; enact a bill of residents' rights that protects residents' independence and autonomy; allow residents to remain in assisted living when their needs change, provided that the residence can meet their needs; and require assisted living residences to provide private rooms.

A second challenge is to ensure that individuals with limited financial resources have access to needed services in the setting they prefer. One step would be to expand Medicaid coverage of assisted living and other programs that make assisted living more affordable.

A third challenge is to ensure quality of assisted living services. To do this, states will need to expand current efforts to improve quality and ensure that these are adequately funded. Areas where state regulations are often weak include staff training, disclosure of information to consumers, and services to meet the needs of residents with cognitive impairment. The report of the Assisted Living Workgroup provides a resource that can be useful to policymakers as they consider ways to improve assisted living quality in their states. Additional research is needed to better understand the effectiveness of various approaches to improving quality.

¹ Tanner, Rachel, *Assisted Living*, Issue Brief, Health Policy Tracking Service, April 1, 2004, <http://www.hpts.org>, accessed August 31, 2004.