

# Affordable Assisted Living Planning

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## About the National Center for Assisted Living

The National Center for Assisted Living (NCAL) is the assisted living voice of the American Health Care Association (AHCA). As of the date of this publication, AHCA/NCAL represents more than 14,000 nonprofit and proprietary skilled nursing centers, assisted living communities, sub-acute centers, and homes for individuals with intellectual and development disabilities. By delivering solutions for quality care, AHCA/NCAL aims to improve the lives of the millions of frail, elderly, and individuals with disabilities who receive long term or post-acute care in our member facilities each day.

NCAL is dedicated to serving the needs of the assisted living community through national advocacy, education, networking, professional development, and quality initiatives. In addition, NCAL supports state-specific advocacy efforts through its national federation of state affiliates. NCAL state affiliates work to create local education, advocate on behalf of assisted living providers, and provide the direct, ongoing support their assisted living members need to improve quality and grow their businesses.

### **NCAL's Mission Statement**

NCAL's mission is to lead the assisted living profession through public policy advocacy, knowledge, education, and professional development.

### **NCAL's Vision Statement**

NCAL is dedicated to promoting high quality, principle-driven assisted living care, and services with a steadfast commitment to excellence, innovation, and the advancement of person-centered care.



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No. 20 in 2022

## Overview of Assisted Living

Assisted living communities are a long term care option preferred by many individuals who need help with everyday activities and some health care services, but typically do not require 24-hour skilled nursing care services for extended periods of time. These communities offer a unique mix of companionship, independence, and security and become residents' homes, prioritizing resident choice, dignity, and privacy. The assisted living model is built on the concept of delivering person-centered services (e.g., personal care) and supports (e.g., housing) that meet each resident's specific needs and preferences. In addition to supporting residents in completing activities of daily living (e.g., bathing, dressing, managing medications), assisted living provides a variety of specialized services, including social work, counseling, physical therapy, or pharmacy. Additionally, more than one in five assisted living providers have a secure dementia care unit for only serve adults with dementia, which is critical because an estimated 42% of the residents are living with Alzheimer's or other dementias.<sup>1</sup>

States establish and enforce licensing and certification requirements for assisted living communities, as well as requirements for assisted living administrators or executive directors. While some federal laws and regulations apply to assisted living communities (e.g., Department of Labor's administration of the Fair Labor Standards Act), state-level regulation of assisted living services and operations ensures an efficient, comprehensive licensure system because the state can effectively coordinate its full range of housing and service programs available to seniors and individuals with physical, intellectual, or developmental disabilities. Furthermore, different state philosophies regarding the role of assisted living in the long term care spectrum enables provider innovation and testing new models of housing plus services that respond to local consumer demands.

The majority of assisted living residents pay privately for room, board, and services. Medicare does not cover services offered by assisted living. While Medicaid does not cover room and board, it may cover personal care services for eligible residents. The Medicaid program is important for ensuring that seniors and individuals with disabilities are able to receive care in the most appropriate setting.<sup>2</sup> An estimated 48% of communities are Medicaid-certified to be home and community-based services (HCBS)

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<sup>1</sup>The National Center for Health Statistics report defines residential care communities to include assisted living communities and other residential communities, such as personal care homes, adult care homes, board care homes, and adult foster care. Harris-Kojetin, L., et al. (2019). Long-term Care Providers and Services Users in the United States, 2015-2016. *Centers for Disease Control and Prevention, National Center for Health Statistics*, 3(43). <https://www.cdc.gov/nchs/data/databriefs/db454.pdf>

<sup>2</sup>Vardaman, K. (2016). The Role of Residential Care Settings in Delivering Long-Term Services and Supports. *Medicaid and CHIP Payment and Access Commission*. <https://www.macpac.gov/wp-content/uploads/2016/09/The-Role-of-Residential-Care-Settings-in-Delivering-Long-Term-Services-and-Supports.pdf>

providers, while almost 17% of residents rely on Medicaid to cover daily care in assisted living.<sup>3</sup> Based on 2015 and 2016 analyses, the Medicaid and CHIP Payment and Access Commission asserts nearly all states (45 states) cover certain services (e.g., personal care) to Medicaid beneficiaries residing in assisted living communities, and since each state administers its Medicaid programs, beneficiary eligibility criteria, scope of covered services, and provider participation range from very limited to robust.<sup>4</sup>

<sup>3</sup>AHCA/NCAL Assisted Living Policy & Regulatory Resources. <https://www.ahcancal.org/Assisted-Living/Policy/Pages/Medicaid.aspx>

<sup>4</sup>Medicaid and CHIP Payment and Access Commission. (n.d.) *TABLE 1. State Residential Care Setting Licensure Terms and Medicaid Service Terms*. <https://www.macpac.gov/subtopic/table-1-state-residential-care-setting-licensure-terms-and-medicaid-service-terms/>

## Executive Summary

This report summarizes key operating and potential development characteristics of the assisted living market landscape in relation to assumptions that may be used in expanding assisted living services. For every state and the District of Columbia, this report provides information on topics which include market characteristics, unemployment trends, wage rates, and Medicaid waiver data. This report should be used in conjunction with regulatory resources to provide a more comprehensive view of potential services and their related settings.

The National Center for Assisted Living engaged Plante Moran to assemble such information that is included in this report as a resource document for providers that may be interested in expanding assisted living waiver service offerings. The research for this work has been completed in the fall of 2022 and certain updates at the state level may have an impact on the information provided. Throughout this report website links have been provided to aid in further research or to make updated information more accessible. To assist in making comparisons among states, a consistent level of information was presented for each state.

The following are some summary information that was compiled among the state data:

### Demographics

On a national basis the over 80+ population is forecasted to grow over 9% between 2022 and 2027.

States with Largest Population 80+			States with Largest Growth in 80+ Population			
	2022	2027		2022	2027	% Growth 2022-2027
California	1,462,687	1,588,680	Alaska	16,797	20,871	24%
Florida	1,204,623	1,305,627	Nevada	109,856	130,227	19%
New York	895,766	966,626	Idaho	68,005	80,291	18%
Texas	875,292	1,025,031	Georgia	341,951	403,301	18%
Pennsylvania	634,755	663,824	Colorado	188,905	222,746	18%
Illinois	519,734	554,998	Utah	87,166	102,644	18%
Ohio	512,210	539,628	Texas	875,292	1,025,031	17%
Michigan	424,975	449,746	Washington	279,734	324,943	16%
Subtotal	6,530,042	7,094,160				
National	13,406,474	14,649,194				
	49%	48%				

### State-by-State Population 80+

State	2022	2027	% Growth 2022-2027
Alabama	204,416	224,578	10%
Alaska	16,797	20,871	24%
Arizona	309,961	320,315	3%
Arkansas	126,160	134,613	7%
California	1,462,687	1,588,680	9%
Colorado	188,905	222,746	18%
Connecticut	168,606	175,798	4%
Delaware	43,885	48,114	10%
District of Columbia	21,763	22,959	5%
Florida	1,204,623	1,305,627	8%
Georgia	341,951	403,301	18%
Hawaii	73,371	77,587	6%
Idaho	68,005	80,291	18%
Illinois	519,734	554,998	7%
Indiana	266,111	288,610	8%
Iowa	148,808	156,524	5%
Kansas	123,979	131,915	6%
Kentucky	176,433	192,887	9%
Louisiana	173,440	187,949	8%
Maine	68,268	71,643	5%
Maryland	241,422	271,141	12%
Massachusetts	306,324	333,823	9%
Michigan	424,975	449,746	6%
Minnesota	236,424	258,012	9%
Mississippi	113,230	120,834	7%
Missouri	265,073	280,280	6%

### State-by-State Population 80+

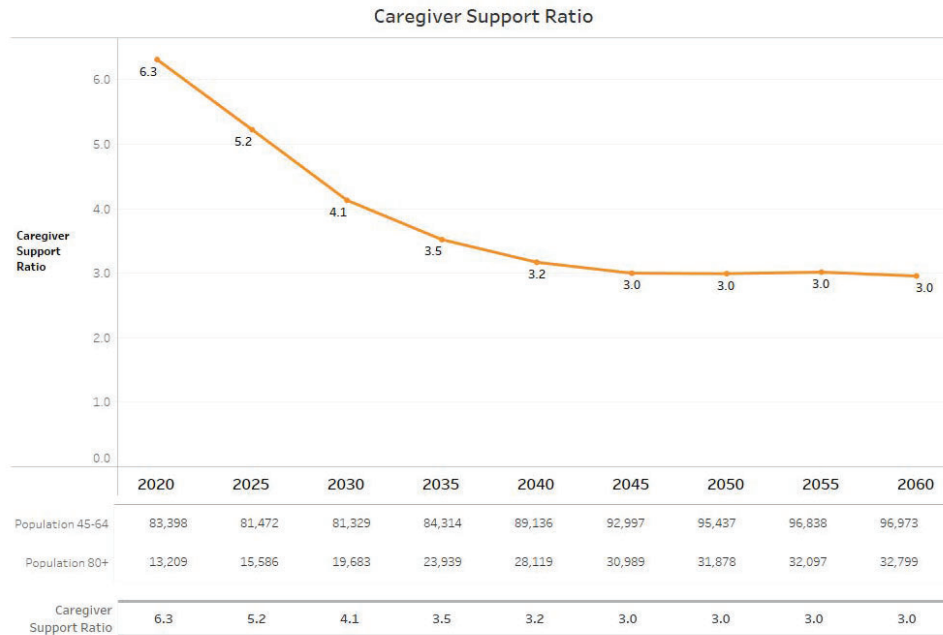
State	2022	2027	% Growth 2022-2027
Montana	47,689	52,450	10%
Nebraska	81,807	88,948	9%
Nevada	109,856	130,227	19%
New Hampshire	59,943	65,124	9%
New Jersey	401,231	437,564	9%
New Mexico	88,686	94,317	6%
New York	895,766	966,626	8%
North Carolina	402,469	443,863	10%
North Dakota	33,940	36,411	7%
Ohio	512,210	539,628	5%
Oklahoma	154,669	167,665	8%
Oregon	173,413	192,598	11%
Pennsylvania	634,755	663,824	5%
Rhode Island	50,916	54,981	8%
South Carolina	203,256	225,431	11%
South Dakota	38,645	41,162	7%
Tennessee	266,275	297,671	12%
Texas	875,292	1,025,031	17%
Utah	87,166	102,644	18%
Vermont	29,372	31,750	8%
Virginia	324,714	362,125	12%
Washington	279,734	324,943	16%
West Virginia	84,807	86,830	2%
Wisconsin	252,204	269,370	7%
Wyoming	22,308	24,169	8%
Total	13,406,474	14,649,194	9%

### Median and Average Population 80+ by Year

Year	Median	Average
2022	173,440	262,872
2027	192,598	287,239
% Growth	8%	9%

## Caregiver Support Ratio

The caregiver support ratio represents the 45-64 population divided by the 80+ population. This is designed to illustrate the adult child who may be providing natural supports to a senior and the related decline that this ratio is experiencing. One could infer that services may be needed to replace this natural care giving model. The information below illustrates this decline on a macro level as well as state related trends.



Source: US Census Bureau

### State-by-State Caregiver Support Ratios

State	2022	2027	% Growth 2022-2027
Alabama	6.2	5.6	-10%
Alaska	10.3	8.1	-22%
Arizona	5.4	5.0	-7%
Arkansas	5.8	5.2	-10%
California	6.6	6.2	-7%
Colorado	7.6	6.8	-11%
Connecticut	5.8	5.4	-8%
Delaware	5.8	5.2	-10%
District of Columbia	6.6	6.5	-2%
Florida	4.7	4.3	-8%
Georgia	8.0	6.9	-14%
Hawaii	4.8	4.6	-4%
Idaho	6.4	5.7	-11%
Illinois	6.2	5.7	-8%
Indiana	6.3	5.7	-10%
Iowa	5.2	4.8	-7%
Kansas	5.5	5.1	-8%
Kentucky	6.5	5.8	-11%
Louisiana	6.5	5.7	-12%
Maine	5.6	5.2	-8%
Maryland	6.7	6.0	-11%
Massachusetts	6.1	5.6	-7%
Michigan	6.1	5.5	-10%
Minnesota	6.0	5.5	-9%
Mississippi	6.4	5.6	-12%
Missouri	5.8	5.2	-9%

### State-by-State Caregiver Support Ratios

State	2022	2027	% Growth 2022-2027
Montana	5.6	5.1	-9%
Nebraska	5.6	5.2	-8%
Nevada	7.2	6.3	-13%
New Hampshire	6.6	5.9	-10%
New Jersey	6.2	5.8	-7%
New Mexico	5.6	5.2	-9%
New York	5.8	5.4	-6%
North Carolina	6.7	6.0	-10%
North Dakota	5.1	4.9	-4%
Ohio	5.8	5.3	-9%
Oklahoma	6.0	5.4	-10%
Oregon	6.1	5.6	-8%
Pennsylvania	5.3	4.9	-7%
Rhode Island	5.6	5.2	-8%
South Carolina	6.4	5.7	-12%
South Dakota	5.4	4.9	-9%
Tennessee	6.7	6.0	-10%
Texas	8.0	7.2	-11%
Utah	7.7	7.3	-5%
Vermont	5.9	5.4	-9%
Virginia	6.9	6.2	-10%
Washington	6.8	6.2	-10%
West Virginia	5.5	5.1	-8%
Wisconsin	6.0	5.5	-8%
Wyoming	6.2	5.5	-11%



### State-by-State Caregiver Support Ratios

	Median	Average
2022	6.1	6.2
2027	5.5	5.6
% Decline	-9%	-9%

### States with Largest % Drop in Caregiver Support Ratios

	2022	2027	% Decline
Alaska	10.3	8.1	-22%
Georgia	8.0	6.9	-14%
Nevada	7.2	6.3	-13%
South Carolina	6.4	5.7	-12%
Mississippi	6.4	5.6	-12%

### States with Highest Caregiver Support Ratios

	2022	2027	% Decline 2022-2027
Alaska	10.3	8.1	-22%
Georgia	8.0	6.9	-14%
Texas	8.0	7.2	-11%
Utah	7.7	7.3	-5%
Colorado	7.6	6.8	-11%

### States with Lowest Caregiver Support Ratios

	2022	2027	% Decline 2022-2027
Florida	4.7	4.3	-8%
Hawaii	4.8	4.6	-4%
North Dakota	5.1	4.9	-4%
Iowa	5.2	4.8	-7%
Pennsylvania	5.3	4.9	-7%

## Home Ownership

The national average of the percentage of head of household age 75+ home ownership approximates 75% with variability across regions of the country. Home ownership can be an important development characteristic in relation to resources available for a senior in transition to assisted living.

*\*Note: Throughout this document, the acronym HH represents Head of Household (or Householder)*

### States with Highest Percent HH Age 75+ Owner-Occupied

	2022
West Virginia	82%
Mississippi	81%
Florida	81%
South Carolina	81%
Utah	80%

### States with Lowest Percent HH Age 75+ Owner-Occupied

	2022
District of Columbia	60%
New York	61%
Rhode Island	64%
North Dakota	66%
Massachusetts	67%

## State-by-State Percent HH Age 75+ Owner-Occupied

State	2022
Alabama	80%
Alaska	73%
Arizona	79%
Arkansas	78%
California	71%
Colorado	74%
Connecticut	72%
Delaware	80%
District of Columbia	60%
Florida	81%
Georgia	77%
Hawaii	72%
Idaho	78%
Illinois	75%
Indiana	77%
Iowa	75%
Kansas	74%
Kentucky	79%
Louisiana	79%
Maine	71%
Maryland	72%
Massachusetts	67%
Michigan	77%
Minnesota	71%
Mississippi	81%
Missouri	76%

## State-by-State Percent HH Age 75+ Owner-Occupied

State	2022
Montana	74%
Nebraska	72%
Nevada	71%
New Hampshire	72%
New Jersey	72%
New Mexico	79%
New York	61%
North Carolina	77%
North Dakota	66%
Ohio	75%
Oklahoma	78%
Oregon	72%
Pennsylvania	71%
Rhode Island	64%
South Carolina	81%
South Dakota	67%
Tennessee	79%
Texas	76%
Utah	80%
Vermont	73%
Virginia	76%
Washington	72%
West Virginia	82%
Wisconsin	69%
Wyoming	78%

## Penetration Rates

A penetration rate helps measure the degree to which a market is either under-served or saturated. A penetration rate is calculated by comparing the number of households related to an income screen in comparison the number of assisted living units available. A lower percentage indicates a smaller number of assisted living units compared to the population profile or an under-served market. In the cases in which there are no affordable assisted living units identified, the calculation indicates a zero percentage. A higher percentage indicates potential market saturation of that product type. Other factors including location, quality, design, size of units, age of units, and overall occupancy of the existing supply are other factors to be considered in conjunction with penetrations rates.

## Affordable Assisted Living Penetration Rates

An affordable assisted living penetration rate is calculated by analyzing head of households that are age 75+ along with those that have an income below \$30,000. The number of individuals in this demographic is compared to the state's total number of assisted living units with Medicaid waivers. Note that in some states the number of units was unavailable and the number of waiver slots was used in the calculation.

### Affordable Assisted Living: HHs 75+ with Income <\$30K

	Median	Average
2022	7%	14%
2027	10%	17%

### States with Highest Percent HH Age 75+ w/ Income <\$30k

	2022	2027
Oregon	54%	76%
District of Columbia	52%	55%
Montana	46%	46%
Missouri	45%	46%
Alaska	45%	40%

### States with Lowest Percent HH Age 75+ w/ Income <\$30k \*

	2022	2027
South Dakota	1%	1%
Mississippi	2%	2%
Ohio	2%	3%
California	2%	9%
New York	3%	3%

\* Excluding states with 0% penetration rates

### Affordable Assisted Living: HHs 75+ with Income <\$30K

State	2022	2027
Alabama *	0%	0%
Alaska	45%	40%
Arizona *	0%	0%
Arkansas	3%	3%
California	2%	9%
Colorado	7%	8%
Connecticut	31%	36%
Delaware *	0%	0%
District of Columbia	52%	55%
Florida	21%	25%
Georgia	22%	21%
Hawaii *	0%	0%
Idaho	38%	44%
Illinois	18%	24%
Indiana	30%	38%
Iowa	16%	17%
Kansas	12%	12%
Kentucky *	0%	0%
Louisiana *	0%	0%
Maine	7%	10%
Maryland	7%	13%
Massachusetts	16%	16%
Michigan	10%	12%
Minnesota	38%	47%
Mississippi	2%	2%
Missouri	45%	46%

### Affordable Assisted Living: HHs 75+ with Income <\$30K

State	2022	2027
Montana	46%	46%
Nebraska *	0%	0%
Nevada	7%	8%
New Hampshire	23%	29%
New Jersey *	0%	0%
New Mexico *	0%	0%
New York	3%	3%
North Carolina	17%	17%
North Dakota	13%	15%
Ohio	2%	3%
Oklahoma	32%	32%
Oregon	54%	76%
Pennsylvania *	0%	0%
Rhode Island *	0%	0%
South Carolina	26%	34%
South Dakota	1%	1%
Tennessee *	0%	0%
Texas *	0%	0%
Utah	5%	5%
Vermont *	0%	0%
Virginia	34%	44%
Washington	3%	4%
West Virginia *	0%	0%
Wisconsin	9%	13%
Wyoming	35%	46%

*\*Note: States with 0% penetration rates have a Medicaid Waiver program that does not cover assisted living fees or no Medicaid Waiver program is currently in place.*

## Market Rate Assisted Living Penetration Rates

A market rate assisted living penetration rate is calculated by analyzing head of households that are age 75+ along with those that have an income above \$30,000. The number of individuals in this demographic is compared to the state's total number of assisted living units.

### States with Highest Percent HH Age 75+ w/ Income \$30k+

	2022	2027
Minnesota	25%	22%
Iowa	23%	20%
Wisconsin	21%	19%
Nebraska	20%	17%
Oregon	19%	17%

### States with Lowest Percent HH Age 75+ w/ Income \$30k+

	2022	2027
New York	4%	4%
Hawaii	4%	4%
District of Columbia	4%	5%
West Virginia	6%	5%
Nevada	6%	5%

### Middle Income and Market Rate Assisted Living & MC: HHs 75+ with Incomes \$30K+

	Median	Average
2022	10%	11%
2027	9%	10%

### Middle Income and Market Rate Assisted Living & MC: HHs 75+ with Incomes \$30K+

State	2022	2027
Alabama	8%	7%
Alaska	12%	10%
Arizona	10%	10%
Arkansas	8%	7%
California	7%	7%
Colorado	12%	11%
Connecticut	8%	8%
Delaware	6%	6%
District of Columbia	4%	5%
Florida	9%	8%
Georgia	13%	11%
Hawaii	4%	4%
Idaho	16%	13%
Illinois	8%	7%
Indiana	17%	15%
Iowa	23%	20%
Kansas	16%	14%
Kentucky	9%	8%
Louisiana	7%	6%
Maine	12%	10%
Maryland	8%	8%
Massachusetts	9%	8%
Michigan	9%	9%
Minnesota	25%	22%
Mississippi	10%	9%
Missouri	10%	9%

### Middle Income and Market Rate Assisted Living & MC: HHs 75+ with Incomes \$30K+

State	2022	2027
Montana	10%	9%
Nebraska	20%	17%
Nevada	6%	5%
New Hampshire	12%	11%
New Jersey	7%	7%
New Mexico	6%	6%
New York	4%	4%
North Carolina	8%	7%
North Dakota	15%	13%
Ohio	14%	13%
Oklahoma	9%	8%
Oregon	19%	17%
Pennsylvania	12%	11%
Rhode Island	11%	10%
South Carolina	11%	10%
South Dakota	17%	15%
Tennessee	10%	9%
Texas	9%	8%
Utah	10%	8%
Vermont	15%	14%
Virginia	12%	11%
Washington	14%	12%
West Virginia	6%	5%
Wisconsin	21%	19%
Wyoming	11%	10%

## Income Level by Age of Head of Household

The following figure examines the average income level based on the age of the homeowner (head of household). On a national level 26% of homeowners aged 45-64 earned \$150,000+, 24% of homeowners aged 65+ earned less than \$25,000, and 31% of homeowners aged 75+ earned less than \$25,000. Figured based on 2022 data.

2022 Head of Household Income by Age Group - National

