



GUIDE TO THE ISSUES

An Assisted Living Option for Alabama Medicaid Beneficiaries

Background

Developed in 1970, Medicaid provides medical and nursing home care for low-income citizens. In Alabama, Medicaid is the largest medical and health services provider to the poor – serving children, the elderly, the disabled, and those eligible for federally assisted income maintenance payments.¹ Alabama is the only state other than Kentucky that does not cover payment for assisted living facilities under Medicaid.² The state defines an assisted living facility as “any entity that provides, or offers to provide, residence and personal care to two or more individuals who are in need of assistance with activities of daily living.”³ However, Alabama does provide nursing home care and home-based care through Medicaid. A nursing home is defined as “a business entity that is engaged in providing housing, meals and care to sick or disabled individuals who require, on a daily basis or more frequently, medical care, nursing care, or rehabilitation services.”⁴ But not all of Alabama’s nursing home patients require care 24/7. For the majority who do not need constant medical care, home-based medical care may be a viable option. Alabama defines home-based care as “services to the elderly and disabled . . . [provided] to categorically needy individuals who would otherwise require institutionalization in a nursing facility.”⁵

Currently, Alabama’s Medicaid system has no option for patients who are not completely independent but who require care involving less than nursing home-type assistance. This could lead to Medicaid

ISSUE SNAPSHOT

In Alabama, average nursing home costs per month are approximately \$5,200.

Compared to average nursing home costs, assisted living facilities save over \$2,500 per month per resident. Home-based care provides over \$4,400 in savings per month per resident.

By adding assisted living facilities to the Elderly and Disabled Waiver and including a continuum of care, Alabama could improve care for the elderly and disabled while in a more cost-effective manner.

beneficiaries being placed in nursing homes that provide more care than they actually require.

In Alabama, average nursing home costs per month are \$5,257, or approximately \$175 per day.⁶ Medicaid covers home-based care through the Elderly and Disabled Waiver. Home-based care offers care for individuals needing nursing home-levels of care, but it allows them to remain in their homes and communities.⁷

Policy Consideration

Living in an assisted living facility maintains an individual’s independence while providing help with meals, transportation, housekeeping, and health care when necessary. Care is available when it is needed,