



Assisted Living Waiver and CalAIM Community Supports

Understanding Overlaps and Gaps

This explainer describes overlaps and gaps between two Medi-Cal programs: the Assisted Living Waiver and Community Supports, an initiative of CalAIM (California Advancing and Innovating Medi-Cal). The explainer is part of a series exploring how Community Supports intersect with Medi-Cal home and community-based services (HCBS) waiver and demonstration programs. The series highlights key issues policymakers and stakeholders should consider if responsibility for some HCBS programs shifts from fee-for-service Medi-Cal to managed care plans. Find related explainers on the [CHCF website](#).

Overview of the Assisted Living Waiver

Description and Goals

The Assisted Living Waiver (ALW), one of California's HCBS programs, is a Medicaid 1915(c) waiver program that launched in 2009 and has been renewed every five years since. The goal of ALW is to coordinate the safe and timely transitions of eligible Medi-Cal enrollees from nursing facilities to home-like community settings in assisted living facilities or in subsidized housing. ALW also provides eligible enrollees who reside in the community but are at risk of being institutionalized the option to receive services in an assisted living setting.

Through ALW, enrollees can reside in assisted living facilities, including residential care facilities for the elderly

Geographic Reach

ALW services are limited to 15 counties. The counties with ALW services are Alameda, Contra Costa, Fresno, Kern, Los Angeles, Orange, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, San Joaquin, San Mateo, Santa Clara, and Sonoma.

Eligibility

To be eligible for the ALW, an individual must:

- ▶ Be age 21 or older
- ▶ Have full-scope Medi-Cal eligibility with zero share of cost
- ▶ Have needs equal to those of Medi-Cal-funded residents living and receiving care in nursing facilities
- ▶ Be willing and able to reside safely in an assisted living setting or in publicly subsidized housing as an alternative to a nursing facility
- ▶ Be willing to live in an assisted living setting in one of the counties providing ALW services

Among new enrollees, 60% must come from institutions and 40% from the community.

Enrollment

With an increase effective October 2024, 16,344 waiver slots were available. As of October 2024, 15,402 individuals were enrolled in the waiver, and 6,287 individuals were on the waitlist.

Sources: [Application for a §1915\(c\) Home and Community-Based Services Waiver: Assisted Living Waiver](#) (PDF), California Department of Health Care Services (DHCS), March 1, 2024; [Application for a §1915\(c\) Home and Community-Based Services Waiver: Assisted Living Waiver – Request for an Amendment](#) (PDF), DHCS, October 1, 2024; and [Assisted Living Waiver \(ALW\) Year to Date Enrollment and Waitlist January 2019 through October 2024](#) (PDF), DHCS, accessed December 31, 2024.

(RCFE) and adult residential facilities (ARF), or in publicly subsidized housing sites.¹ Currently, ALW services are only provided in publicly subsidized housing sites in Los Angeles County by one home health agency.²

Program Operations

ALW enrollees receive care coordination from state-authorized Care Coordination Agencies (CCAs). A registered nurse or social worker with the CCA administers a semiannual assessment to determine the level of care and services necessary for each enrollee. CCAs assist enrollees in developing an Individual Service Plan (ISP) and ensure the appropriate and timely delivery of necessary services to enrollees.

While the CCA informs each enrollee about available assisted living facilities, the enrollee selects the placement of their choice. Once the assisted living facility admits the enrollee, the facility must provide necessary services for that individual.³

Included Services

The services provided under ALW include care coordination and assisted living services. Care coordination is provided by the CCA and ensures that the needs of the enrollee are being met. Additional care coordination services are available to those transitioning to an assisted living setting from a nursing facility (NF).

Assisted living services are delivered by the assisted living provider (i.e., RCFE, ARF, or a home health agency in a public housing setting) in accordance with the ISP. These services include personal care services, such as assistance with activities of daily living (ADLs), home-maker services, or medication oversight; recreational activities; and coordination of food, transportation, and any skilled nursing services. Assisted living services also include 24-hour direct care staff to meet enrollee needs in a way that promotes maximum independence. Residential habilitation services include supports for enrollees with behavioral issues that necessitate greater staff attention, including hands-on assistance with ADLs and increased supervision.⁴

Room and Board

Enrollees are required to pay for room and board at the assisted living facility. In the RCFE and ARF settings, the enrollee can pay the facility for room and board through Supplemental Security Income/State Supplementary Payment (SSI/SSP).⁵ Room and board fees are capped at a lower, government-negotiated monthly rate for SSI/SSP recipients.⁶ However, those that do not receive SSI/SSP have to find other sources to pay for room and board. In public housing settings, the enrollee pays their rent to the housing authority.⁷

Overlap and Considerations with Community Supports

ALW Comparison to Community Supports: Nursing Facility Transition/Diversion to Assisted Living Facilities

ALW and the Nursing Facility (NF) Transition/Diversion to Assisted Living Facilities service offered through Community Supports have the same structure and goals, and they largely provide the same set of services to a similar population. This Community Support facilitates NF transitions back to a home-like, community setting and prevents skilled nursing admissions for people with a nursing facility level of care, thereby supporting community living. Through this service, people can reside in an assisted living setting, such as an RCFE or ARF, and the assisted living provider is responsible for meeting their needs, including ADLs, instrumental ADLs (IADLs), meals, transportation, and medication administration. Medi-Cal managed care plans (MCPs) can provide the necessary transition coordination and care coordination services or can contract with case management agencies, home health agencies, or assisted living facility operators to provide these services. As with the ALW, people enrolled in this Community Support are responsible for paying their own room and board expenses.⁸

The main gap between the NF Transition/Diversion service and ALW is that the Community Support is not available in publicly subsidized housing settings. ALW services are provided under a fee-for-service model, while Community Supports are optional services provided through managed care. The key challenge with potentially moving ALW services to MCPs is ensuring broad access to the services across the state. Appendix A provides additional information comparing ALW to the NF Transition/Diversion to Assisted Living Facilities service.

Challenges and Opportunities

As California considers integrating some HCBS into managed care, it is important to consider the current challenges of Community Supports implementation and opportunities for improving service delivery. Challenges and opportunities were identified through literature review and interviews with HCBS stakeholders.

There is variability in MCPs offering the NF Transition/Diversion to Assisted Living Facilities service, resulting in limitations to access for Medi-Cal enrollees. While MCPs are strongly encouraged to offer as many Community Supports as possible, they are not required to offer any. Since the implementation of Community Supports began in 2022, there has been low use of the NF Transition/Diversion to Assisted Living Facilities service. Based on statewide implementation data, 765 members used this Community Support in the 12 months from July 2023 through June 2024, with the vast majority coming from two MCPs.⁹ Interviewees suggest there is a perceived lack of need to offer this service on the part of MCPs in ALW counties, which assume their members could use the ALW to receive similar services. MCPs may also view this Community Support only as a bridge to the ALW, rather than as an ongoing service. Additionally, MCPs have concerns regarding developing a large enough network of assisted living facilities that are willing to contract with MCPs.

Opportunity: Unlike the ALW — which has a limited number of waiver slots, has a waitlist, and is only available in certain counties — this Community Support does not have restrictions to geography or enrollment numbers and could therefore be leveraged to serve many more people throughout the state. MCPs should be encouraged to actively implement the NF Transition/Diversion to Assisted Living Facilities service as a way to improve the quality of life for their members and reduce costs related to nursing facility admissions. MCPs could also consider developing incentives for assisted living facilities to join their provider network to expand access to this Community Support. The California Department of Health Care Services (DHCS) could guide MCPs to provide the Community Support as an ongoing service and to use annual or semi-annual assessments to determine continued need, in a way that is similar to the current ALW model.

Assisted living operators and MCPs lack experience working together, and most assisted living operators lack capacity for plans' administrative and payment complexities. To partner with MCPs, assisted living operators have to learn new contracting and billing processes to provide services to MCP enrollees. Interviewees suggested that many assisted living facilities would experience cashflow concerns by billing for services after they are delivered because the predominant private-pay model pays in advance of service delivery. Without a steady stream of revenue from MCPs, many assisted living operators may be reluctant to work with them. Even facilities that have served Medi-Cal enrollees through the ALW may hesitate to contract with MCPs to provide the NF Transition/Diversion to Assisted Living Facilities Community Support, in part because they may be used to receiving standard payment rates under ALW and may lack experience negotiating payment rates.

Opportunity: To realize the potential of this Community Support, stakeholders must collaborate. MCPs could work closely with assisted living operators to better understand and address administrative and

payment barriers and to negotiate payment rates that support the infrastructure and staffing needed to sustainably provide these services. DHCS could provide resources and technical assistance to assisted living facilities to strengthen their capacity and infrastructure, and to MCPs to help them understand how the tiers designated within the ALW relate to this Community Support. DHCS could also require MCPs to assess cost of care and conduct rate assessments at regular intervals to support provider retention and sustainability.

The availability of assisted living facilities and the willingness of assisted living operators to engage with Medi-Cal varies. This means that in certain geographic areas, there are not enough assisted living beds for Medi-Cal enrollees to meet demand.

MCPs that choose to provide the NF Transition/Diversion to Assisted Living Facilities service may have a hard time placing their members in assisted living facilities, either because too few facilities exist in their service area, because contracting with assisted living operators presents challenges, or because contracted facilities limit the number of Medi-Cal enrollees they accept. This could result in an MCP having to place a member in a facility outside their service area, often farther away from the member's family or support network, which can lead to additional challenges in meeting an enrollee's needs, including finding a primary care provider or other services outside the plan's provider network.

Opportunity: DHCS could encourage MCPs to consider different ways to incentivize assisted living facility participation in the NF Transition/Diversion to Assisted Living Facilities service. For example, DHCS could encourage MCPs to consider offering financial incentives to support the transition of members from nursing facilities to assisted living facilities. This could encourage assisted living operators to contract with MCPs and to increase the availability of beds for Medi-Cal enrollees.

MCPs need education on the capabilities and services assisted living facilities can offer to enrollees.

Interviewees suggested that MCPs may lack understanding of the role of assisted living facilities and how they can support nursing home residents with lower acuity in a more home-like setting. As well, few MCPs have experience managing the long-term supports of members with functional needs, multiple chronic health conditions, behavioral health needs, and/or housing needs. These knowledge and experience gaps may be contributing to MCPs' low levels of engagement with this Community Support.

Opportunity: MCPs could learn best practices for working with assisted living providers from CCAs and other ALW providers. Transitioning or diverting enrollees from nursing facilities to an assisted living facility can be cost-effective for the MCP and can improve enrollees' experiences of care and daily living.¹⁰ Through hiring or training, MCPs should ensure staff who perform authorization reviews have a comprehensive understanding of HCBS needs assessments and criteria so that authorization timeframes are appropriate and enrollees don't lose access to critical services during transitions. Enhancing education and emphasizing collaboration between assisted living providers and MCPs could help them work together to expand access to assisted living for Medi-Cal enrollees.

Member Case Studies

Medi-Cal Enrollee in an Assisted Living Waiver County

Richard, a 63-year-old male from Fresno, is single and experiencing housing instability. In recent months, Richard's health worsened due to his living situation. He had two hospital admissions before arriving at the emergency department with blood in his urine. Providers admitted him to the hospital and diagnosed him with congestive heart failure. After receiving care, Richard was stabilized and discharged to an NF, where staff assisted Richard with ADLs.

While Richard was receiving care at the NF over several months, the NF social worker learned Richard wanted to transition to a community living setting. The social worker contacted an ALW CCA to request a referral for Richard to be enrolled in the ALW program to support his desire to live in the community. The Fresno County CCA submitted Richard's ALW application to the state. Due to Richard's needs and status as an NF patient, he received priority on the waitlist and his application was approved.

Once enrolled, Richard and his CCA care manager developed an ISP to determine his service needs, which included assistance with showering, dressing, personal care activities, and food preparation. The CCA care manager let Richard know that in the assisted living community, 24-hour staff would provide these personal care services and Richard would be able to take advantage of a variety of social and health-related supports.

The CCA care manager utilized their network of RCFEs to provide options for Richard's placement in an assisted living facility. After participating in virtual facility tours provided by his CCA care manager, Richard selected the RCFE that he felt most comfortable with and was able to use SSI to cover room and board costs. Richard's CCA care manager then facilitated the transition to the RCFE by providing medication reconciliation, transportation, handoff to an RCFE care team, and all other necessary tasks to facilitate the move. Using the ALW, the CCA and RCFE provided stable housing to address Richard's homelessness, supported his ADLs, and offered important socialization opportunities. Together, these helped Richard to avoid unnecessary hospitalizations or nursing home stays and supported his desire to live independently with supports.

The ALW provided a long-term solution for Richard to remain housed in his RCFE and receive supportive services detailed in his ISP. If Richard should instead utilize Community Supports from an MCP, it will be essential that the MCP cultivates and builds relationships

with assisted living facilities as it begins to work with Medi-Cal members requiring long-term services and supports. As MCPs continue to grow their understanding of Medi-Cal members like Richard, plans should recognize the important role ongoing assisted living care can play as a cost-effective alternative to long-term institutional care in nursing facilities for some members.

Medi-Cal Enrollee in a County without the Assisted Living Waiver

Louis is a 77-year-old male with diabetes and a complex medical background who has been receiving custodial care in an NF in Santa Barbara County for six years. Recently, his condition has left him with an amputated right foot and diabetic retinopathy (worsening vision). He has expressed a desire to move to a community setting but requires assistance with activities like getting dressed and bathing.

Louis's MCP identified him as eligible for Enhanced Care Management (ECM) and connected Louis with an ECM lead care manager from a local community-based organization. Louis and his ECM lead care manager completed a biopsychosocial assessment and developed a care plan that included sending a Community Supports referral for NF Transition to an Assisted Living Facility. The Community Supports provider received an authorization approval and began the care transition process. Louis's MCP was able to approve his eligibility for transition to an assisted living facility without delay or registering on a waitlist.

The Community Supports care manager used an evaluation tool to assess Louis and determine his appropriate level of care and specific care needs. The care manager explored bed availability among the RCFEs that the MCP had contracted with for this Community Support, and they secured placement at an RCFE that met his needs, which included support with ADLs and meals tailored to manage his diabetes. The care manager then facilitated the transition, which

included a care handoff, transportation coordination, medication reconciliation, and additional activities.

Louis was able to transfer successfully from an NF to an RFCE with a care program developed by his Community Supports care manager. Louis's MCP developed a strong provider network of RCFEs when preparing to launch its NF Transition to an Assisted Living Facility service. Because of the MCP's robust network, Louis and his care manager were able to find an in-network RCFE bed without delay. Without such strong relationships, such a seamless transition may not be possible.

Appendix A. Comparison of Assisted Living Waiver and Community Supports (Nursing Facility Transition/Diversion to Assisted Living Facilities)

CHARACTERISTICS	CURRENT HCBS WAIVER/DEMONSTRATION	COMMUNITY SUPPORTS*
	ASSISTED LIVING WAIVER (ALW)	NURSING FACILITY (NF) TRANSITION/DIVERSION TO ASSISTED LIVING FACILITIES
Eligibility	<p>Enrollees must be age 21 or older and</p> <ul style="list-style-type: none"> ▶ Have full-scope Medi-Cal eligibility with zero share of cost ▶ Have care needs equal to those of Medi-Cal-funded residents living and receiving care in an NF (NF LOC)[†] ▶ Be willing and able to reside safely in an assisted living facility or publicly subsidized housing as an alternative to an NF ▶ Be willing to live in an assisted living facility in one of 15 counties[‡] 	<p>Medi-Cal enrollees of all ages are eligible. Two population subsets may qualify for services.</p> <p>For NF Transition, enrollees must:</p> <ul style="list-style-type: none"> ▶ Have resided in an NF 60+ days ▶ Be willing to live in assisted living setting as an alternative to an NF ▶ Be able to reside safely in assisted living with appropriate cost-effective supports <p>For NF Diversion, enrollees must:</p> <ul style="list-style-type: none"> ▶ Be interested in remaining in the community ▶ Be willing and able to reside in assisted living as an alternative to an NF ▶ Be currently receiving medically necessary NF LOC or meet minimum criteria to receive NF LOC
Services[§]	<p>Enrollees must pay for room and board.</p> <p>Waiver services include:</p> <ul style="list-style-type: none"> ▶ Care coordination ▶ Residential habilitation ▶ Assisted living services (e.g., homemaker, home health aide, personal care) ▶ Augmented plan of care development and follow-up (available for enrollees with higher LOC needs)[#] ▶ NF transition care coordination <p>Services provided/coordinated by RCFE, ARF, publicly subsidized housing include:</p> <ul style="list-style-type: none"> ▶ 24-hour awake staff for oversight, meeting scheduled/unscheduled needs ▶ Oversight of personal/supportive services (ADLs, IADLs) ▶ Assistance with self-administration of medications ▶ Recreational activities ▶ Provision of three meals per day plus snacks ▶ Housekeeping and laundry ▶ Licensed nursing staff as necessary to meet skilled nursing needs of the participants ▶ Transportation arrangements to medically necessary appointments or other services identified on individual service plan 	<p>Enrollees must pay for room and board.</p> <p>Assisted living providers are responsible for enrollee needs, including:</p> <ul style="list-style-type: none"> ▶ ADLs, IADLs ▶ Meals ▶ Transportation ▶ Medication administration ▶ Transitional wrap-around services that include: <ul style="list-style-type: none"> ▶ Companion services ▶ Medication oversight ▶ Therapeutic social and recreational programming ▶ 24-hour on-site direct care staff <p>Optional State Plan Services are available based on the enrollee's eligibility determination:</p> <ul style="list-style-type: none"> ▶ Community-Based Adult Services ▶ Home health agency services <p>Some additional allowable expenses/services available to establish community residence include:</p> <ul style="list-style-type: none"> ▶ Assessing enrollee needs for enhanced on-site services required at ARF/RCFE ▶ Assisting with facility application completion

CHARACTERISTICS	CURRENT HCBS WAIVER/DEMONSTRATION	COMMUNITY SUPPORTS*
	ASSISTED LIVING WAIVER (ALW)	NURSING FACILITY (NF) TRANSITION/DIVERSION TO ASSISTED LIVING FACILITIES
Providers	<ul style="list-style-type: none"> ▶ ARF/RCFE operators ▶ Home health agencies ▶ Care Coordination Agencies (CCAs) ▶ Publicly subsidized housing <p>List of CCAs List of ALW providers</p>	<p>Providers listed below are not exhaustive; providers must have experience with the required services.**</p> <ul style="list-style-type: none"> ▶ ARF/RCFE operators ▶ Home health agencies ▶ Case management agencies ▶ Medi-Cal managed care plans <p>Not available in publicly subsidized housing.</p>

Source: Authors' analysis of multiple sources, including 1915(c) approved state waiver application, regulations, and DHCS policy guidance.

Notes: This information is not exhaustive but aims to provide an illustrative and comparative understanding of the potential options available to Medi-Cal members who could benefit from home and community-based services (HCBS). For a comprehensive understanding of program policy and guidance, please refer to official California Department of Health Care Services (DHCS) documents for detailed program requirements, processes and procedures. ADLs are activities of daily living; ARF is adult residential facility; ALW is Assisted Living Waiver; HCBS is home and community-based services; IADLs are instrumental activities of daily living; LOC is level of care; NF is nursing facility; RCFE is residential care facility for the elderly.

* Community Supports are authorized under the current CalAIM Section 1115 demonstration and the CalAIM 1915(b) managed care waiver.

† New ALW enrollments are required to be processed at a ratio of 60% institutional transition to 40% community enrollments. Participant must reside in an institution for at least 60 days prior to qualifying as an institutional transition.

‡ ALW is available in Alameda, Contra Costa, Fresno, Kern, Los Angeles, Orange, Riverside, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Clara, Sonoma, and San Francisco counties.

§ Services provided under Community Supports must supplement, not supplant, services received through state, local, or federally funded programs.

|| Participants with Supplemental Security Income (SSI) use their SSI/Social Security Disability (SSD) or State Supplementary Payment (SSP) to pay for rent. Rates are negotiated with facility owners and reflect what enrollees can afford. Each year, the federal Social Security Administration publishes maximum SSI benefits available to beneficiaries in different living arrangements. For 2024, room and board was \$1,398.07 for those with SSI of \$1,575.07. For additional information, see: [The Assisted Living Waiver \(ALW\) Program](#) (PDF), DHCS, effective January 1, 2024.

For more information about AL LOC care assessment tiers, see: "[Application for a §1915\(c\) Home and Community-Based Services Waiver](#)" (PDF), DHCS, effective March 1, 2024, p. 55.

** Community Supports availability varies by county and MCP. For more information, see: "[Chart 4.5.2: Total Number of Community Supports Provider Contracts in Each MCP and County in the Most Recent Reporting Quarter by Service](#)," DHCS, last updated December 2024.

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About the Foundation

The [California Health Care Foundation \(CHCF\)](#) is an independent, nonprofit philanthropy that works to improve the health care system so that all Californians have the care they need. We focus especially on making sure the system works for Californians with low incomes and for communities who have traditionally faced the greatest barriers to care. We partner with leaders across the health care safety net to ensure they have the data and resources to make care more just and to drive improvement in a complex system.

CHCF informs policymakers and industry leaders, invests in ideas and innovations, and connects with changemakers to create a more responsive, patient-centered health care system.

Endnotes

1. "[Assisted Living Waiver](#)," California Department of Health Care Services (DHCS), accessed July 1, 2024.
2. [Assisted Living Waiver Program Public Subsidized Housing Facilities](#) (PDF), DHCS, accessed July 17, 2024.
3. [Application for a §1915\(c\) Home and Community-Based Services Waiver: Assisted Living Waiver](#) (PDF), DHCS, March 1, 2024.
4. [Application: ALW](#), DHCS, March 1, 2024.
5. Supplemental Security Income (SSI) is a federal program that provides monthly payments to people with limited income and few resources. SSI is for people who are 65 or older, as well as people of any age, including children, who are blind or have disabilities.
6. Robin Buller, "[The Promise and Perils of Assisted Living for Medi-Cal Enrollees](#)," *The CHCF Blog*, July 19, 2023.
7. [Application: ALW](#), DHCS, March 1, 2024; and [Assisted Living Waiver Reimbursement Rates](#) (PDF), DHCS, revised December 6, 2023.
8. [Medi-Cal Community Supports, or In Lieu of Services \(ILOS\), Policy Guide](#) (PDF), DHCS, July 2023.
9. "[Community Supports Members Data: A Section of the ECM and Community Supports Quarterly Implementation Report](#)," DHCS, updated December 2024.
10. Paula Hertel, [What Is Assisted Living? Opportunities to Advance Community-Based Care for Medi-Cal Enrollees](#), California Health Care Foundation (CHCF), August 7, 2024.