



by Robin Buller

Strengthening CalAIM's Assisted Living Transitions

The Role of Community Care Hubs

An integral piece of the CalAIM (California Advancing and Innovating Medi-Cal) initiative is Community Supports, an optional program that connects Medi-Cal enrollees to health-related social services. From medically tailored meals and caregiver respite services to housing assistance and accessibility adaptations, these services are designed to improve the whole-person health of Californians with low incomes.

For older adults with complex needs, the Nursing Facility Transition / Diversion to Assisted Living Facilities Community Support has the potential to be especially valuable. This service helps people leave or avoid nursing facilities by giving them the option to move into [community-based assisted living settings](#) where staff support them with daily personal care needs, medication management, and life enrichment.¹ Appropriately transitioning or diverting people to assisted living settings — which are typically more homelike than nursing facilities and can be a better fit for some people with lower-intensity care needs — can improve the quality of life of people with complex needs, offer potential cost savings to payers, and free up scarce nursing facility beds for the people who need them most.

However, uptake of this Community Support (known here as “the assisted living Community Support”) has been slow relative to health plans’ engagement with other Community Supports.² Statewide, Medi-Cal managed care plans (MCPs) provided this service to only 765 people in the 12 months from July 2023 to June 2024, with the vast majority coming from two

MCPs.³ Among the MCPs delivering these services, one promising method is to work with an external organization with relevant expertise and connections that can facilitate the process. In the case of the assisted living Community Support, these intermediaries — examples of Medi-Cal community care hubs (see box) — contract directly with MCPs and assisted living operators to help connect eligible Medi-Cal enrollees to this vital program.

What Is a Medi-Cal Community Care Hub?

[Medi-Cal community care hubs](#) are emerging critical components of California’s health care landscape that help integrate physical health, behavioral health, and health-related social needs by supporting a range of services, including CalAIM’s Community Supports and Enhanced Care Management, as well as community health worker and doula services. While some hubs offer direct services to members, others act solely as administrative intermediaries.

As described in exploratory work on hubs, Medi-Cal community care hubs are those organizations that:

- ▶ Have contracts or Business Associate Agreements with a managed care plan and provider organizations to support the provision of Enhanced Care Management, Community Supports, the community health worker benefit, or doula services
- ▶ Provide a set of substantial core administrative functions, such as payment operations, referral management, and quality oversight

Source: Jill Donnelly, Brianna Nielson, and Blake Owens, [Exploring Emerging Medi-Cal Community Care Hubs](#), CHCF, October 2024.

This paper considers the hub model’s potential value for MCPs, assisted living operators, and nursing facilities that are interested in offering the assisted living Community Support to Medi-Cal enrollees but that may lack the experience, infrastructure, or network connections to do so successfully. To show the range of forms the hub model can take, the paper spotlights three organizations successfully leveraging their expertise, networks, and administrative capacities to partner with MCPs and assisted living operators to transition and divert eligible people into supportive residential settings around the state.

The Assisted Living Community Support

MCPs that choose to provide this Community Support pay for services related to the transition to an assisted living setting as well as ongoing care services provided in that setting. Transition services could include assessing a member’s care needs, securing placement in an assisted living community, coordinating the move, and developing a personalized care plan. Care services provided at the assisted living facility could include medication management, nursing care coordination, and assistance with day-to-day activities like dressing and bathing.⁴ Room and board at assisted living facilities are not covered by MCPs; members can use Supplemental Security Income / State Supplementary Payment or other sources to pay for living expenses.

Hub Services for the Assisted Living Community Support

Acting as intermediaries, hubs for the assisted living Community Support provide services to plans, assisted living operators, and Medi-Cal members. To develop their networks, hubs may vet facilities; negotiate rates and secure contracts; engage in case-finding, marketing, and referrals management; and process claims and reimbursements. For individual members, hubs may coordinate placements in

assisted living facilities, manage transitions, and perform ongoing case management.

Lightening the Load for Plans and Assisted Living Operators

By lightening the administrative workload required to successfully transition and divert Medi-Cal members to assisted living settings, the hub model can help both MCPs and assisted living operators hoping to offer this Community Support. And in a state as vast and diverse as California, an important advantage of the model for stakeholders is its potential for customization and responsiveness.

Ultimately, hubs can act as a “one-stop shop” for plans, assisted living operators, and nursing facilities, according to Jason Bloome, founder and CEO of [Connections](#), a care home consultancy firm beginning to serve as a transition and diversion hub for Health Net and Kaiser Permanente. “Our nurse assesses the member, we find the facility, and once a member is placed, our social worker visits monthly to ensure quality,” he said.

Value for Plans

For MCPs, the hub model offers several key opportunities, with administrative relief being chief among them. Stakeholders noted that the resources required to offer the assisted living Community Support may discourage plans — especially smaller regional MCPs — from offering this service, despite the potential for cost savings for the plan and improved quality of life for members. In taking on many of the core administrative tasks required to efficiently and effectively transition people into community settings, hubs can bypass those hurdles for their MCP partners. “The model really lessens the administrative burden on our end,” said Amy Scribner, chief health officer at Health Plan of San Mateo (HPSM), an MCP offering transition services with the help of a hub.

Working with hub organizations also gives MCPs the opportunity to more easily expand their network to include new providers — namely, assisted living operators. And because Community Supports rely on community-based partners, many of which are new to MCPs, a strong network is vital. “CalAIM is all about collaboration, connections, and relationships. Those pieces, I think, are critical,” said Katie Panarella, who directs Anthem Blue Cross’s Community Supports program.

Stakeholders also noted that MCPs may need to play a bigger role related to assisted living services in the future due to broader potential changes to Medi-Cal home and community-based services. Taking steps early on to forge ties and invest in infrastructure associated with the assisted living sector could help MCPs

prepare for such a development, they explained. Plus, hubs can assist with cultivating those relationships and monitoring facilities for quality and level of care, providing support to plans. “Since assisted living services are not traditional services we have contracted with, HPSM doesn’t necessarily have the bandwidth to contract with and provide oversight to multiple assisted living facilities,” said Scribner.

“We’re constantly auditing our assisted living partners, looking at quality and considering, ‘Is the food savory? Is the building in good repair? Are residents up and about, engaged, and well cared for?’ We act as that set of eyes,” explained Debra Draves, CEO of [Master Care](#), which specializes in connecting older adults to Medi-Cal services to care in their homes and communities.

Hub Spotlight: Institute on Aging

[Institute on Aging](#) (IOA) is a San Francisco–based nonprofit with a long history of working with Bay Area Medi-Cal managed care plans to provide transition and diversion services. They first offered these services in 2007 when they worked with a San Francisco skilled nursing facility to deinstitutionalize long-term care patients. In 2014, they launched the Community Care Settings Program in San Mateo County, delivering transition and diversion services to Health Plan of San Mateo enrollees. In 2018, they partnered with Santa Clara Family Health Plan to support transition and diversion to assisted living through the Whole Person Care Pilot program.

Now, IOA is leveraging those relationships as a Community Support hub facilitating transition and diversion services for Health Plan of San Mateo, Santa Clara Family Health Plan, and San Francisco Health Plan (in collaboration with the City and County of San Francisco). In this model, the plans receive referrals from nursing facilities for members who would benefit from receiving care in an assisted living setting. After the managed care plan verifies the member’s eligibility for the Community Support, it sends the referral to IOA, where staff get to work finding an assisted living operator willing to partner with them and engage the

member as a new resident. When the time comes, IOA provides intensive case management, facilitates the logistics of the physical transition, ensures that appropriate levels and quality of care are met, and contracts with other service providers as needed.

Using service and payment tiers modeled after those used in the Assisted Living Waiver, IOA submits claims to the managed care plan on behalf of the assisted living provider. The organization also acts as a fiscal intermediary by paying assisted living operators on the first of the month (as is customary with private-pay residents) and assuming that cost until reimbursement from the plan comes through. “Paying in advance is a pitch to facilities, who need an incentive since they are often taking in complex clients at below-market rates,” said Harper.

IOA has custom payment and incentive arrangements with each plan partner for these Community Support services. In addition, because they are an Enhanced Care Management (ECM) provider, they can receive a per-member per-month capitated payment for providing care management to members enrolled in ECM during their transition to assisted living and for a period afterward.

Value for Assisted Living Operators and Nursing Facilities

The hub model offers administrative relief for assisted living operators. Such relief is particularly valuable for operators with limited or no experience working with Medi-Cal, who may not have the expertise or dedicated personnel needed to navigate Medi-Cal policy, requirements, and claims processes. “Master Care has helped solve problems that we haven’t built into our own infrastructure to solve yet,” said Mark Cimino, CEO of CiminoCare, an assisted living and community care provider. “They connect all the dots.”

By working with a hub organization, assisted living operators can also expand their market to include Medi-Cal payers, diversifying their referral sources and payment streams. “This is the direction things are heading. Facilities need to figure out how to participate in public programs if they are going to serve these big chunks of the population,” said Dustin Harper, chief strategy officer at the [Institute on Aging](#) (IOA), a hub organization working with HPSM, Santa Clara Family Health Plan, and San Francisco Health Plan to deliver transition and diversion services.

Engaging with hub organizations can also enable skilled nursing facilities to more expediently discharge patients with lesser care needs into community settings, thereby freeing beds for new patients. Said HPSM’s Scribner, “We had already been experiencing capacity issues with nursing homes, so this is a great alternative.”

Hub Spotlight: Master Care

Founded in 2022 by career long-term care professionals Debra Draves and Kathy Inocelda, [Master Care](#) is a private corporation focused on connecting older adults to services through Community Supports and Enhanced Care Management. To deliver the Nursing Facility Transition / Diversion to Assisted Living Facilities Community Support, Master Care leverages the deep relationships its leadership team has with nursing facilities, hospitals, and senior housing partners around the state.

Once alerted to a possible candidate, Master Care staff check eligibility, make a referral to the managed care plan, and assess the person’s needs, including their behavioral, medical, environmental, financial, and cultural needs. Then, Master Care scours its network of vetted assisted living operators to find several communities that meet those requirements and that have availability. Those options are presented to the client, who makes the final decision of where they will live.

Whereas the Medi-Cal Assisted Living Waiver uses a standardized statewide rate system, Master Care negotiates with plans and assisted living operators to secure reimbursements close to private-pay market rates. This appeals to assisted living operators, who say that Medi-Cal rates for the Assisted Living Waiver do not adequately cover care expenses in high cost-of-living areas, and plans agree to the rates because they connect their members to high-quality providers and enable placement without the Assisted Living Waiver waitlist. Because Master Care submits claims daily, facilities don’t need to wait as long for reimbursement as they do with other Medi-Cal programs. Master Care may also cover some costs while claims are processing.

Master Care receives a per-member per-month rate from managed care plans in exchange for its services. It also braids in funding from Enhanced Care Management to offer more coordinated care. In its first two years in Medi-Cal, Master Care contracted with 11 managed care plans in 40 counties statewide and provided transition and diversion services to more than 600 people.

Keys to Success

Stakeholders highlighted common elements that successful hub organizations bring to the table: deep professional networks and strong relationships with nursing facilities and assisted living operators, experience in the field of older adult care and long-term care, capacity to manage complex administrative tasks, tolerance for risk, and flexibility as well as a willingness to experiment and adapt to this evolving care landscape.

Hub Spotlight: Connections

[Connections](#) is a care home consulting agency that assists people in securing assisted living placements for their loved ones with complex needs. Traditionally focused on private-paying clients, it is now in the early stages of operating as a hub organization for the assisted living Community Support. Connections has contracts with Health Net and Kaiser Permanente to deliver transition and diversion services through CalAIM Community Supports in seven counties throughout California, including Los Angeles, Riverside, and San Bernardino Counties.

The Connections hub model involves both direct referrals through its website from patients and families as well as referrals from managed care plans. Once eligibility is confirmed, founder Jason Bloome and his team use their extensive assisted living network to secure an appropriate placement. Connections coordinates the logistics of the transition, contracts with a social worker to conduct case management, and continuously monitors each assisted living facility for quality of care. Connections also coordinates claims and reimbursements for both managed care plans and assisted living operators — a process new to the company when it began participating in this Community Support. For its services, Connections receives a per-member per-month rate from its contracted plans.

Interviewees also recommended that entities considering the hub model engage in the following activities:

Foster strong partnerships. Stakeholders emphasized that having sound relationships between hubs and their MCP partners is directly correlated to the effective delivery of services. This means investing in regular meetings, establishing clear communication channels, and committing to working out snags as they arise. “Where we have amazing relationships, we’ve been able to do really good work and, since demand is so high, expand quickly,” said Master Care’s Draves.

Put members’ needs first. As with other Community Supports, the assisted living Community Support is most effectively delivered when members’ needs are put front and center. That means communicating clearly with members about services offered, finding placements that suit their particular needs, and giving members choices in where they want to live and receive appropriate services. “Our partners integrate this Community Support into the work they do. It’s part of broader service delivery to address the needs of members and not just a stand-alone service,” said Panarella at Anthem.

Braid funding streams. Weaving together complementary resources and programs enables stakeholders to fill gaps not addressed by this specific Community Support. IOA and Master Care also offer Enhanced Care Management, for instance, to provide dedicated case management that people eligible for this Community Support may need, while Connections received incentive money from CalAIM’s Providing Access and Transforming Health initiative to hire staff to help deliver this Community Support.

Lean on existing structures. Rather than reinvent the wheel, hubs and MCPs can apply existing tools, relationships, and knowledge to ease growing pains. What's more, connecting this Community Support to existing programs offers an element of familiarity to plans, providers, and Medi-Cal enrollees, which could expand uptake. IOA and Connections pull their rate structures from the payment tiers developed by the state for its Assisted Living Waiver program, while Anthem uses the tiers as a guide for assessing levels of care.⁵

Focus scope. Interviewees caution against generalized approaches. Instead, plans can strive to work with hub organizations that have expertise either with the populations of focus or in targeted regions. At Master Care, Draves says that focusing on the geriatric population is a critical part of its hub model. For older adults with complex needs, transitions can be risky and difficult, requiring specific expertise. "I can't imagine doing this and being distracted with a whole host of other Community Supports," Draves said.

HPSM sees value in IOA's focus on and familiarity with the local environment. "Because IOA was in the bordering county, they already had a lot of presence in the region when they started [as a hub for HPSM], which was hugely important for this to be successful," said Scribner.

Reach critical volumes. Offering this Community Support to only a few people makes it difficult to develop a sustainable program, stakeholders said. Instead, plans, assisted living operators, and hub organizations should commit to offering transition and diversion services by dedicating personnel to the program and working to extend the optional services to all eligible people who would benefit from receiving care in community-like settings. "There aren't a lot of ways to be efficient with this. The model is in person, person-centered, and case by case. We need a large volume to make the numbers work," said Draves.

Accept expertise. Plans and assisted living operators shared that the model has worked best when they have given permission to hub organizations to take the lead. "Supporting home and community-based alternatives for older adults is the core of what IOA does," said Harper. Bloome echoed that sentiment: "Having done this for more than 35 years [outside of Medi-Cal], we know which assisted living communities are good and where people will be happy."

Embracing a hub organization's expertise has enabled plans like Anthem to roll out these services more quickly than they have been able to do for some other Community Supports. "Master Care has an incredible network, and they leverage partnerships from over 20 years in the field," said Panarella. "With strong partners that prioritize member needs, the plan can focus on getting members authorized quickly so that our partners can deliver services."

Be patient. Developing new infrastructure takes time, and plans may encounter hiccups along the way to smoothly offering transition and diversion services, even with help from hubs. Compared to other Community Supports that can reach members almost immediately, like medically tailored meals, the assisted living Community Support necessitates a longer timeline. Coordinating this type of person-centered care in which the patient's needs and wishes are put first "requires lots of pieces that are very complex, and these steps can take several months," said Scribner, adding that "especially at the beginning, everyone needs to be patient."

What's more, hub organizations might encounter some pushback from plans unfamiliar with transition services or not used to working with assisted living operators, whose systems and approaches to care can vary widely, according to Draves. "It took a lot of trial and error and building trust to get it to where it is," she said.

Next Steps

Already, hubs are helping more Californians with complex care needs live in community settings by filling administrative gaps and serving as the links between MCPs and providers. To continue to build on their vision and maximize the reach and impact of this Community Support, the following steps can be taken.

Supportive guidance. Stakeholders noted that guidance from the state on the specifics of implementing this and other Community Supports has been limited. Importantly, that approach created the space for hub organizations to emerge and gave them the opportunity to grow and adapt practices according to the needs they encountered. But given limited uptake of this Community Support and most MCPs' lack of familiarity with assisted living settings (and vice versa), stakeholders would benefit from more specific guidance that supports efficient, effective, and person-centered service delivery. "Creativity enabled hubs to emerge, but providers [and plans] seem to need more definitions and alignment," said Panerella. The California Department of Health Care Services released updated service definitions for this Community Support in February 2025.

Broader education. For this Community Support to have its intended impact, organizations and sectors that have not collaborated before need to come together. Educating MCPs, assisted living operators, and nursing facilities on the value of and roles played by various parties will lay the foundation for success. When plans don't offer these services, it's often because they lack understanding of the variety of services assisted living facilities offer or of how providing nonmedical services can impact medical services, stakeholders explained. "Plans need to understand how a much lower utilization [of medical services] is possible when a member is in the right setting," said Draves.

Education is also needed in the form of marketing, stakeholders say, to broaden awareness of the Community Support, with one interviewee suggesting

that the state offer seed money to support marketing to MCPs, members, assisted living operators, and nursing facilities. Finally, it's important to educate Medi-Cal enrollees on the advantages that receiving care in the community can offer them. Some people may be hesitant to leave a nursing facility for fear of receiving a lower level of care. It can be helpful to explain that, when appropriate based on their care needs, the "lower level of care [of an assisted living community] can have a hugely positive impact on their health," said Anthem's Panarella.

Deeper commitment. Offering this Community Support takes substantial investment, so plans, assisted living operators, and hubs should commit to delivering it as a core mechanism for care. That way, the proper relationships and infrastructure can be built to sustain growing population needs moving forward. "One of the challenges is the dipping-toes-in-water approach," said Harper, adding that it can be a problem when a plan wants to commit to facilitating only a few transitions per year, as need for this type of service is high.

Committing to this Community Support also means prioritizing services, like independent housing resources, to divert members from moving into nursing facilities in the first place, says HPSM's Scribner. That ensures that diversion services don't take a backseat to transition services.

Clearer financial implications. In the short term, transition and diversion remain complicated undertakings for plans relative to some other Community Supports. Although the cost of long-term care in an assisted living community should generate direct savings for the plan and state relative to the cost of long-term care in a nursing facility, the financing mechanisms and incentives behind this are not yet well understood. As a result, the price tag of care in an assisted living setting feels expensive to many plans. "They feel as though they are losing \$3,000 per month even though they have cut the monthly costs of care in half," said Harper.

Conclusion

The Nursing Facility Transition / Diversion to Assisted Living Facilities Community Support has the potential to positively impact the lives of thousands of people.⁶ In 2024, more than one in 10 Californians living in nursing homes had care needs that could be met in lower cost, more residential settings.⁷

As California's population ages, the state will see greater demand for community-based alternatives to institutional long-term care. Assisted living communities are an important element of that growing landscape, and the Nursing Facility Transition / Diversion to Assisted Living Facilities Community Support speaks to Medi-Cal's investment in whole-person care programs, especially those that target older adults with complex needs.

Adopting this Community Support takes some leg-work, however. For MCPs, assisted living operators, and nursing facilities eager to offer this service and feeling too stretched to take on the administrative burden of building a new network and developing new program infrastructure, the hub model may offer a promising path forward. By contracting with external organizations that have connections in the relevant sectors, capacity to take on administrative and operational work, and expertise in caring for older adults with complex needs, MCPs and assisted living operators can bring more eligible Medi-Cal members into community care settings — and in so doing, improve the quality of life of more Californians.

About the Author

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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

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