

## United States Senate

SPECIAL COMMITTEE ON AGING  
WASHINGTON, DC 20510-6400  
(202) 224-5364

January 24, 2024

The Honorable Eugene L. Dodaro  
Comptroller General  
Government Accountability Office  
441 G St., NW  
Washington, DC 20548

Dear Comptroller General Dodaro:

News outlets from across the Nation have recently published concerning reports regarding the quality, safety, and affordability of assisted living facilities. We have been troubled by the broad challenges that older adults and their families face paying for expensive care; understanding hidden fees for basic services; and ensuring sufficient safety measures to prevent resident injuries and death. As our Nation ages and the need for accessible housing grows, it is important to understand long-term care options available to older adults and the way taxpayer dollars are being spent at assisted living facilities and similar care settings. We therefore seek your assistance to better understand how assisted living facilities interact with, and receive money from, federal programs such as Medicare, Medicaid, and benefits administered by the Social Security Administration, the Department of Housing and Urban Development (HUD), and the Department of Veterans Affairs (VA).

Assisted living facilities, including memory care centers, are state-regulated residences that provide housing, meals, and other services to enable people to live independently. Residents have access to varying levels of assistance with activities of daily living such as bathing, mobility, and other personal care needs, as well as sometimes with more complex needs such as financial and medication management. While initially intended as a social model for older adult residents needing a low level of support, people living in assisted living facility today are older, require more care, and have a similar level of acuity to nursing home residents.<sup>1</sup> Approximately 40 percent of assisted living facility residents nationally have been diagnosed with Alzheimer's disease and related dementias.<sup>2</sup> As a result, assisted living facilities are home to residents with a wide range of care needs, which may require different levels of care over time.

A recent series by the *New York Times* and *KFF* highlighted the challenges residents and their families face due to the costs of assisted living care.<sup>3</sup> The series demonstrated the difficulties of

<sup>1</sup> Zimmerman, S., et al. (2022). The imperative to reimagine assisted living. *Journal of the American Medical Directors Association*, 23(2), 225-234. <https://doi.org/10.1016/j.jamda.2021.12.004>

<sup>2</sup> Thomas, K.S., et al. (2020). State variability in the prevalence and healthcare utilization of assisted living residents with dementia. *Journal of the American Geriatrics Society*, 68(7), 1504-1511. <https://doi.org/10.1111/jgs.16410>

<sup>3</sup> *Dying broke*. (n.d.). The New York Times. <https://www.nytimes.com/series/dying-broke>

obtaining adequate long-term care, gaps in coverage of private long-term care insurance, the structure of costs for assisted living, and additional fees charged by assisting living facilities. The national median cost for assisted living services is \$4,500 per month, or \$54,000 annually.<sup>4</sup> On top of base expenses, residents may incur additional costs for meals, medication assistance, personal safety alarms, or assistance from an aide for tasks as routine as taking blood pressure readings—amounting to thousands of dollars in additional expenses every month.<sup>5</sup> These additional fees make it difficult for individuals and their families to accurately determine monthly and annual costs and can put care out of reach of many families. The *Wall Street Journal* has also reported that some assisted living providers have used inflation as a justification to charge hundreds of dollars in additional monthly fees for existing residents.<sup>6</sup> The result is a lack of affordability: one analysis showed 80 percent of older adults with modest assets would be unable to afford four years in an assisted living community.<sup>7</sup> Another study similarly projected that by 2033, an estimated 72 percent of middle-income older adults will be unable to afford senior housing without selling their homes, and that 39 percent will be unable to afford senior housing even after selling their homes.<sup>8</sup>

Despite these high costs, residents in assisted living facilities have suffered avoidable injuries and death. The *Washington Post* recently revealed that more than 2,000 people have wandered away or been left unattended outside of their assisted living facilities since 2018, resulting in at least 98 deaths, including seven deaths in Pennsylvania, and a 75-year-old woman who was found outside an Indiana facility before dawn in freezing weather.<sup>9</sup> The *Post* also identified multiple instances of staff ignoring warnings, such as door alarms and automated texts triggered when residents leave assisted living facilities. In one case, staff at an Iowa facility ignored multiple alerts while a resident with Alzheimer’s wandered away and was left outside for more than eight hours in freezing conditions. The *Post* further found that staff in facilities skipped hourly or nightly resident checks; incorrectly administered life-saving medications; slept on the job; and falsified records.<sup>10</sup> A 2023 investigation by the *Arizona Republic* similarly identified repeated examples of assault, abuse, and one instance of a resident killing their roommate, at assisted living facilities in the state.<sup>11</sup> While state regulators have reportedly cited facilities more than 200 times for failing to properly report missing residents since 2018, this figure likely undercounts the frequency of these incidents.<sup>12</sup>

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<sup>4</sup> *Cost of care survey*. (n.d.). Genworth. <https://www.genworth.com/aging-and-you/finances/cost-of-care.html/>

<sup>5</sup> Rau, J. (2023, November 20). Extra fees drive assisted living profits. *The New York Times*. <https://www.nytimes.com/2023/11/19/health/long-term-care-assisted-living.html>

<sup>6</sup> <https://www.wsj.com/articles/another-inflation-stress-rising-costs-of-senior-living-homes-strain-families-11663818638>

<sup>7</sup> *Addressing the nation’s retirement crisis: The 80%*. (n.d.). National Council on Aging. <https://www.ncoa.org/article/addressing-the-nations-retirement-crisis-the-80-percent-financially-struggling>

<sup>8</sup> <https://www.norc.org/content/dam/norc-org/documents/standard-projects-pdf/NORC%20Forgotten%20Middle%202022%20-%20Analysis%20and%20Findings.pdf>

<sup>9</sup> Rowland, C., et al. (2023, December 17). An alarming number of assisted-living residents die after wandering away unnoticed. *Washington Post*. <https://www.washingtonpost.com/business/interactive/2023/assisted-living-wander-patient-deaths/>  
For the state-by-state tally of deaths, see (2023, December 17). Facilities where seniors died after walking away or being left unattended. *Washington Post*. <https://www.washingtonpost.com/business/2023/12/17/assisted-living-walk-away-deaths-facilities-by-state/>

<sup>10</sup> Id.

<sup>11</sup> <https://www.azcentral.com/story/news/local/arizona-investigations/2023/12/07/how-to-research-senior-living-facilities-in-arizona/71841288007/>

<sup>12</sup> Rowland, C., et al. (2023, December 17). An alarming number of assisted-living residents die after wandering away unnoticed. *Washington Post*. <https://www.washingtonpost.com/business/interactive/2023/assisted-living-wander-patient-deaths/>

Assisted living facility residents typically pay for housing and services out of pocket,<sup>13</sup> using either personal funds or long-term care insurance. However, the entities that operate these settings still may receive significant payments from federal programs. For example, one recent study found that 42 states covered services in assisted living facilities through Medicaid waivers, plan amendments, or a combination of both.<sup>14</sup> For qualifying residents, these states may provide payments for personal care and medical services, as a strategy to reduce the “cost of services for residents who may not need the higher level of services provided” in nursing homes.<sup>15</sup> Companies that operate assisted living facilities may also receive payments from Medicare for dementia care and certain ancillary services, and residents may use Supplemental Security Income or VA benefits to cover other costs.<sup>16</sup>

The Senate Special Committee on Aging has jurisdiction over the problems older adults face, including matters of maintaining old adults’ health, their ability to secure proper housing, and their ability to obtain care or assistance when needed.<sup>17</sup> We have a shared interest in ensuring that older adults and people with disabilities are receiving high-quality care, have access to proper housing, and that taxpayer-funded programs are receiving good value. Given the continuing concerns regarding the quality, safety, and affordability of assisted living facilities, we request that the Government Accountability Office conduct a study that examines the following questions:

1. While Medicaid does not typically cover the room and board for assisted living residents, many state Medicaid programs will pay for certain services such as medication management, on-site therapy, and other support services. Please examine: (a) how state Medicaid programs approach covering and paying for services provided at assisted living facilities; (b) how reimbursement rates vary among state Medicaid programs for services at assisted living facilities; (c) requirements for assisted living facilities that participate in state Medicaid programs; (d) the number of individuals who utilize Medicaid and reside in assisted living facilities; and (e) the amount of Medicaid funding that is spent on assisted living and services provided within assisted living facilities.
2. Medicare and Medicare Advantage do not provide coverage for assisted living; however, these programs can cover in-home services to residents such as appointments from visiting providers; speech, physical, or occupational therapy; prescriptions, and hospice. The programs also may cover costs associated with dementia care, such as cognitive assessments, care planning, and prescriptions.

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For the state-by-state tally of deaths, *see* (2023, December 17). Facilities where seniors died after walking away or being left unattended. *Washington Post*. <https://www.washingtonpost.com/business/2023/12/17/assisted-living-walk-away-deaths-facilities-by-state/>

<sup>13</sup> <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001332349/000133234923000047/bkd-20221231.htm>, at 12, 23, 93

<sup>14</sup> <https://jamanetwork.com/journals/jama-health-forum/fullarticle/2801089>, *see* “Table: Differences in Gini Coefficient Associated With Medicaid Support for Assisted Living (AL) vs States With No Waiver or State Plan”

<sup>15</sup> <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001159281/000115928122000026/fve-20211231.htm>, at 14.

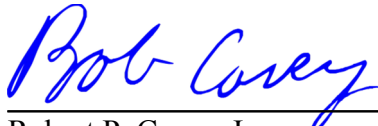
<sup>16</sup> <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001159281/000115928122000026/fve-20211231.htm>, at 13-14; <https://www.aplaceformom.com/caregiver-resources/articles/veterans-aid-attendance-benefit>

<sup>17</sup> “Rules: United States Senate Special Committee on Aging,” Senate Special Committee on Aging, <https://www.aging.senate.gov/about/rules>

- a. How many Medicare beneficiaries who utilize any covered service reside in assisted living facilities, based on claims and site of service data?
  - b. Please list the services and supports delivered in assisted living facilities that Medicare and Medicare Advantage covers, as schedule of co-pays and cost-sharing amounts for beneficiaries.
3. In addition to Medicare and Medicaid, assisted living providers receive payments from federal programs including Supplemental Security Income, health and benefits programs administered by the VA, and housing programs administered by HUD.
- a. Please identify federal programs that are used to pay assisted living facilities.
  - b. How much do these programs spend on assisted living facilities or the services provided therein?
  - c. What barriers do residents, prospective residents, or their families face when they seek to use government programs to pay for assisted living facilities or the services provided therein?

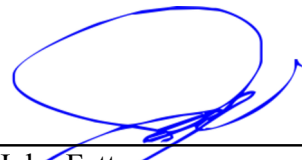
Thank you for your assistance investigating this important issue. If you or your staff have questions, please contact Peter Gartrell, chief investigator for Chairman Casey.

Sincerely,



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Robert P. Casey, Jr.  
United States Senator  
Chairman, Special Committee  
on Aging



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John Fetterman  
United States Senator



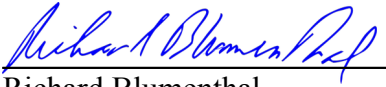
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Kirsten Gillibrand  
United States Senator

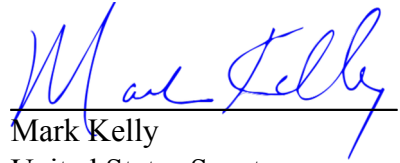


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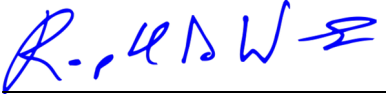
Elizabeth Warren  
United States Senator



Richard Blumenthal  
United States Senator



Mark Kelly  
United States Senator



Raphael Warnock  
United States Senator