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◆ Policy Brief ◆

Assisted Living: Is It An Option for Rural Areas?

Assisted living facilities (ALFs) have emerged as a promising new model of residential long-term care for the elderly. In rural areas, where 22% elderly reside and where there are few options other than nursing homes for long-term care (LTC), assisted living could be a valuable option. However, there is an undersupply of ALFs in rural areas. Moreover, ALFs found in rural areas are less likely to exhibit the features of high services and high privacy that embody the philosophy of assisted living. Further, assisted living is predominantly a private-pay phenomenon and largely unaffordable for the vast majority of rural elders. If States wish to make this a viable option in rural America, they must take steps to expand availability, encourage facilities to offer greater privacy of accommodations and a broader array of services, and adopt policies that make it affordable for low and moderate-income older persons.

Assisted living facilities (ALFs) were the most rapidly expanding form of senior housing during the 1990s, according to the American Seniors Housing Association. Some have argued that assisted living is a promising new model of residential long-term care for the elderly, one whose philosophy distinguishes it from other types of residential long-term care. According to the Assisted Living Quality Coalition (1998), a group comprised of representatives of consumers and providers, assisted living is: "*A congregate residential setting that provides or coordinates personal services, 24-hour supervision and assistance (scheduled and unscheduled), activities, and health related services; designed to minimize the need to move; designed to accommodate individual residents' changing needs and preferences; designed to maximize residents' dignity, autonomy, privacy, independence, and safety...*"

The Southwest Rural Health Research Center, funded by the Office of Rural Health Policy (ORHP) at HRSA, recently completed ***Assisted Living in Rural America: Results from A National Survey***. This report describes rural assisted living facilities (ALFs), their staffing and services, policies on admission and retention, and price. The data are from a national probability sample of ALFs and provide results that are generalizable to the nation and allow comparisons of ALFs in rural or non-metropolitan areas with those in metropolitan areas. The report addresses the following questions:

What Is The Supply and Nature of Rural ALFs? About one-quarter of all facilities are located in rural areas; however, on average, they are smaller than ALFs in metropolitan areas (i.e., 34 beds v. 59, respectively). As a result, only about 15% of the ALF beds are located in rural areas. Thus, there is an undersupply of ALF beds relative to the population of rural elderly. Moreover, the majority of these ALFs (60%) offered a combination of relatively low services and low privacy. Only 7% of the ALFs offered a combination of relatively high services and high privacy.

Philosophically, assisted living represents a promising new model of residential long-term care, one that blurs the sharp and invidious distinction between receiving long-term care in one's own home and in an "institution."

The key philosophical principles or tenets that distinguish assisted living are:

- Services and oversight available 24-hours a day
- Services to meet scheduled and unscheduled needs
- Care and services provided or arranged so as to promote independence
- An emphasis on consumer dignity, autonomy & choice
- An emphasis on privacy and a homelike environment

From Hawes, Phillips & Rose, (2000). *A National Study of Assisted Living for the Frail Elderly: Final Report*. Report to US DHHS, Office of the Assistant Secretary for Planning and Evaluation (ASPE). College Station, TX: School of Rural Public Health, Texas A&M University, (p 2-3).

Do Rural ALFs Facilitate Aging-in-Place? The answer is mixed. There were no differences among rural and metropolitan ALFs in policies on retention of residents with moderate to severe cognitive impairment, those with behaviors such as wandering, or residents who needed help with transfers. In the majority of all ALFs, such residents were *not* likely to be retained by the ALFs. Indeed, the most common discharge reason for ALF residents was “needing more care,” and the most common site was a nursing home. For residents who left, the average length of stay was about 19 months. However, rural ALFs reported being more willing to retain residents who needed nursing care or monitoring and were less likely to have discharged residents to a nursing home in the last six months, compared to ALFs in metropolitan settings. However, given the typical rural ALF’s lack of licensed nurses, the question remains about whether they are able to provide adequate quality of care for more impaired residents. This concern has been heightened by recent reports, such as the GAO’s (1999), that found significant deficiencies in staffing, medication administration, and quality of care in ALFs.

Are ALFs Affordable for Rural Elders? The basic monthly price charged by rural ALFs was lower, on average, than for metropolitan ALFs, a fact accounted for in part by the fact that rural ALFs were more likely to offer low services or low privacy. Even so, the average price charged by rural ALFs was approximately \$17,000 per year and was not affordable for most rural elders, nearly half of whom have incomes that are less than or equal to 200% of the federal poverty line.

What Are The Policy Implications for Rural America? If policymakers wish to expand assisted living to rural elders, they should consider the issues of affordability and services. Expanding federal funding for the housing component or drawing on state housing finance programs are two possibilities for increasing the supply of ALFs and ensuring that they offer private accommodations in rural areas. This is particularly critical for promoting access for low-income seniors who do not qualify for Medicaid. To increase the supply of ALFs willing to provide care to Medicaid beneficiaries, some states, such as Oregon, Maine, and North Carolina have expanded Medicaid coverage for ALFs. For example, in Maine and North Carolina, Supplemental Security Income (SSI) and the state supplement to SSI cover the portion of care attributable to “room and board” costs. The service portion of the payment is covered under the Medicaid “personal services” category in Maine, while in North Carolina Medicaid covers additional services for “heavy care” residents. Other states have used Medicaid waiver programs to achieve some measure of coverage for assisted living for low income elderly and disabled. To broaden services, particularly by registered nurses – which is associated with delayed discharge to nursing homes – some states have set licensing standards that expand coverage for residents with higher care needs and, at the same time, implemented more stringent standards about staffing, resident assessment, and care planning. Other states have approached this by setting standards for the type and level of care and privacy that will be covered by Medicaid waiver programs. Finally, some states have used a combination of federal and state housing finance funds and tax incentives to encourage construction or conversion of units to provide supportive housing for low and moderate-income older persons (See Mollica, 2002; Mollica & Jenkins, 2002). Despite this range of potential policy tools, most states have not used these levers to specifically enhance coverage for the frail elderly and disabled living in rural areas.

In 2000, nearly one-quarter (22.5%) of the U.S. population and 26% of those aged 75 and older lived in rural areas. This population has a high risk for needing long-term care. Compared to urban elders, older persons in rural areas...

- Are older
- Report having worse health status
- Have more functional limitations
- Are more likely to live alone at age ≥ 75, and
- Are more likely to be poor or “near poor.”

Meeting their needs is complicated because the range of long-term care services available in most rural areas is more limited than in metropolitan ones and focuses heavily on the provision of long-term care in nursing homes. Thus, it is important to determine whether assisted living is addressing the needs of some rural elders.

Our report is ***Assisted Living in Rural America: Results from A National Survey***, by Hawes, C, Phillips, CD, Holan, S & Sherman, M. It was produced under a cooperative agreement with the Office of Rural Health Policy. You may download a copy from our website <http://www.srph.tamushsc.edu/srhc>, order a copy from Becky Ray by e-mail (blray@srph.tamushsc.edu) or contact the Southwest Rural Health Research Center, Texas A&M, 3000 Briarcrest Dr., Suite 416, Bryan, TX 77802. **References:** (1) Assisted Living Quality Coalition (1998). *Assisted Living Quality Initiative: Building A Structure That Promotes Quality*. Washington, DC. (2) U.S. General Accounting Office (1999). *Assisted Living Quality of Care and Consumer Protection Issues in Four States*. Washington, DC: GAO/HEHS-99-27. (3) Mollica, R. (2002). *State Assisted Living Policy 2002* and Mollica, R. & Jenkins, R. (2002). *State Assisted Living Practices and Options: A Guide for State Policy Makers*, both from Princeton, NJ: Robert Wood Johnson Foundation.

In another Policy Brief, ***“Expanding Residential Care and Assisted Living in Rural America,”*** we provide information on some of the more recent studies and resources for expanding assisted living and other supportive housing options in rural areas.