

Affordable Assisted Living (AAL) Talking Points

AAL would create a new Long Term Care (LTC) program in Michigan to provide apartment style housing with Medicaid services for persons who can no longer remain home but do not need and/or desire the more costly nursing home placement. AAL is also an option for current nursing home residents to transition back to the community and receive less costly services.

Forty two states have developed AAL as a viable LTC option that is 30% to 50% less expensive than nursing home care. MI is only one of eight states yet to develop this LTC option.

AAL is not a new initiative; MSHDA and MDCH along with MDHS and OSA have been planning the project for well over a year. A Steering Committee has been working on developing a demonstration project since August and five partnering housing developers and community based services providers have been selected as pilot sites. Medicaid funding is needed to pay for the services needed by the consumers entering publicly funded housing.

A specific AAL Medicaid waiver is needed to develop this specialized form of housing with services and because other service resources are unavailable. **Governor Granholm has included \$2.6 million in her FY 2009 budget recommendation for the Department of Community Health for the AAL program.** The MI Choice program has a waiting list of over 3,000 people.

In the past decade, the number of older adults with disabilities has increased by 20% while national Medicaid LTC cost has doubled from \$49 to \$95 billion. MI along with the rest of the nation is facing serious challenges in developing a system of LTC to meet the needs of this growing population efficiently and effectively. AAL has been proven to be an effective alternative to reform LTC.