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IN FOCUS

Updated September 3, 2026

Overview of Assisted Living Facilities

Assisted living is a term often applied to community-based residential settings that provide housing and meals (i.e., room and board), as well as long-term services and supports (LTSS), to older adults and individuals with disabilities. LTSS can include personal care, medication assistance, and housekeeping, as well as social and other health-related activities. States license these residential settings and refer to them by different names (e.g., board and care homes, adult foster care, personal care homes, group homes, and supported living arrangements, among others). This In Focus uses the term *assisted living facilities* (ALFs) to refer collectively to community-based residential settings.

In 2022, an estimated 32,200 ALFs and similar residential communities provided housing and supportive services to more than 1 million residents, according to data from the *National Post-Acute and Long-Term Care Study (NPALS)* conducted by the Centers for Disease Control and Prevention (CDC). CDC's survey of licensed residential care communities is based on a nationally representative sample of residential care communities in the United States. To be eligible for this national study, a setting must be licensed, registered, listed, certified, or otherwise regulated by the state to

- have four or more licensed, certified, or registered beds;
- provide room and board with at least two meals a day and around-the-clock, on-site supervision;
- help with personal care, such as bathing and dressing, or health-related services, such as medication management; and
- serve a predominantly adult population.

The estimated number of ALFs from this study is likely an undercount, as it does not include settings licensed to exclusively serve individuals with mental illness or an intellectual or developmental disability, and it does not include smaller settings with fewer than four beds.

Another data source, the National Ombudsman Reporting System (NORS), which collects data from state and U.S. territory grantees who support the National Long-Term Care Ombudsman Program, reported 63,060 residential care communities that were a licensed or registered facility regulated by the state with a resident capacity of 1,588,816 in 2024.

ALFs are considered community-based settings, as opposed to institutional settings such as nursing homes. In comparison, 14,693 federally certified nursing homes, with more than 1.5 million certified beds, participated in Medicare and/or Medicaid as of July 2026 (from data released August 6, 2026).

Residential Setting Characteristics

Assisted living is considered part of a continuum of long-term care services. It is a concept that grew out of a desire to offer housing and services options to seniors and adults with disabilities who generally require a lower level of care than is provided in institutional settings. ALFs typically do not provide the level of skilled nursing and rehabilitation services or continuous care offered in nursing homes. Accommodations such as private rooms, private baths, and kitchenettes vary by setting.

According to NPALS, in 2022 ALFs provided capacity for 1,313,600 licensed beds. The average number of beds per setting was 41 licensed beds. ALF providers are predominantly for-profit entities (82%) and most providers (57%) are chain-affiliated (i.e., owned by an organization that has two or more communities). Just under half of ALFs surveyed (45%) were authorized or certified to participate in the state-federal Medicaid program, which is a means-tested entitlement that finances primary and acute medical care, as well as LTSS. For more information on Medicaid coverage and federal spending, see the GAO report *Assisted Living Facilities, Information on Federal Spending and Medicaid Coverage* (2026).

Costs and Financing

The cost of ALF care varies depending on residents' needs. In addition, ALF costs can vary based on setting size, geographic location, and range of services provided, among other factors. The 2025 *CareScout Cost of Care Survey* found the median annual ALF cost for a private, one-bedroom unit was about $74,000, a 5% increase from the prior year. In comparison, the median annual cost of nursing home care was about $115,000 for a semiprivate room and $130,000 for a private room. These estimates are national figures and can vary widely by geographic region.

Assisted living is predominantly a private pay industry. Residents and their families generally are responsible for paying out-of-pocket for room and board, as well as for services provided in these settings; some residents may use private long-term care insurance to cover some portion of these costs. The federal Medicare program for the elderly and certain disabled individuals does not cover LTSS provided in ALFs. State Medicaid programs can choose to cover ALF services for certain eligible participants; however, Medicaid does not cover room and board in ALFs. CDC's NPALS found that 17% of residents in ALFs had some or all of their long-term care services paid by Medicaid in 2022. To assist low-income residents with the cost of room and board, some states and local governments may have state or local-only funded programs, with eligibility based on financial need.

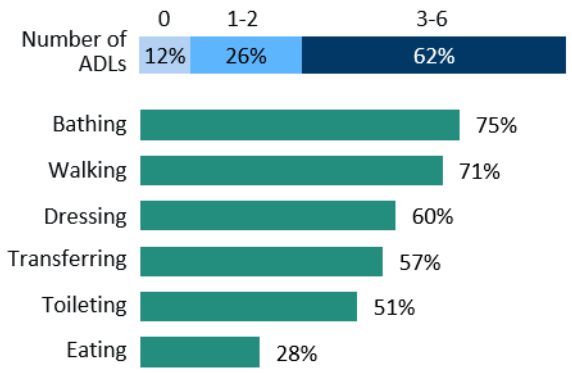
Resident Demographics

The overwhelming majority of ALF residents were aged 65 and over (94%), with more than half aged 85 and over (52.8%). Most residents were female (67%) and non-Hispanic White (92%). High blood pressure, Alzheimer's disease or other dementias, and heart disease were the most common chronic conditions residents reported. Only 20% of ALFs indicated they specialize in dementia care or have a particular floor, wing, or unit of the facility dedicated to dementia care.

About six in 10 residents reported needing assistance with three or more activities of daily living. Residents were most likely to report needing assistance with bathing and walking. More than half reported needing assistance with dressing and transferring out of bed or chair, and half reported needing assistance with toileting (see **Figure 1**).

Figure 1. Percentage of LTSS Users Needing Assistance with Activities of Daily Living (ADLs)

(ALFs and similar residential care communities)



Source: A. Melekin, M. Sengupta, C. Caffrey, *Residential care community resident characteristics: United States, 2022*, National Center for Health Statistics, Data Brief, no. 506, 2024.

Notes: ALF = Assisted Living Facility; LTSS = Long-Term Services and Supports.

Regulation and Oversight

ALFs are licensed and regulated by states. Unlike nursing homes, ALFs do not receive dedicated federal financing for room and board and nursing care. Thus, the federal government has not set minimum ALF quality or staffing standards that would be parallel to Medicare and Medicaid Requirements of Participation (RoP) for federally certified nursing homes. The federal government also has a regulatory framework for oversight, inspection, investigation, and enforcement of RoP standards that are not applicable to ALFs. Some large ALFs may include Medicare- or Medicaid-covered nursing home care. For example, ALFs could offer such care as part of a continuum of services in Continuing Care Retirement Communities (CCRC). Institutional care provided in such multipurpose settings must meet Medicare and/or Medicaid RoPs to receive program payments.

ALFs may provide noninstitutional Medicare- and Medicaid-covered services such as home health or personal care to their residents, similar to the way these services otherwise would be provided in a private residence. ALF providers that seek Medicare or Medicaid reimbursement for home health services must meet federal home health agency requirements. ALFs that seek Medicaid reimbursement for personal care and other Medicaid-covered LTSS must meet state-based Medicaid provider requirements. Alternatively, ALFs may contract with Medicare or Medicaid providers to offer covered home health, personal care, and other covered LTSS in their settings to participating residents.

States that choose to cover certain Medicaid-covered LTSS provided in ALFs may provide the services under their Medicaid state plan or under a federal waiver program. States most frequently provide assisted living services under Section 1915(c) of the Social Security Act, which provides Home- and Community-Based Services (HCBS) waiver authority subject to approval by the federal Centers for Medicare & Medicaid Services (CMS). CMS requires state waiver agreements to include specific statutory and regulatory requirements and assurances, including that the state will safeguard Medicaid participants' health and welfare. States must identify, subject to CMS agreement, the type of information they will collect and provide to CMS to review as evidence in meeting these requirements.

CMS has also established certain requirements for HCBS settings that participate in Medicaid, including requirements for provider-owned or -controlled settings such as ALFs, referred to as the HCBS Settings Rule. To receive federal Medicaid reimbursement, states must ensure that Medicaid-covered HCBS are delivered in settings that meet certain qualities, such as community integration; offer residents choice among settings; ensure residents' rights and personal independence; and offer choice of services or providers. Provider-owned or -controlled settings also must have tenancy agreements, ensure residents' privacy within their units, offer residents' the ability to control their own schedules and visitor access, and be physically accessible. Similar to other Medicaid provisions, states must have mechanisms to engage in ongoing monitoring to detect noncompliance with HCBS settings criteria.

Long-Term Care Ombudsman Program

Another federally funded program for residents in long-term care settings is the Long-Term Care Ombudsman Program (LTCOP). The LTCOP is a consumer-advocacy program that aims to improve the quality of care and the quality of life for residents in nursing homes, ALFs, and similar residential communities by responding to the needs of those facing problems in such facilities. There are 53 LTCOPs operating in all 50 states, the District of Columbia, Guam, and Puerto Rico. LTC ombudsmen complement state officials who enforce facility-focused quality standards required under state statute or regulation. Among their many functions, ombudsmen provide services to protect residents' health, safety, welfare, and rights; to resolve residents' complaints about the quality of their care; and to provide information, education, and consultation to residents, families, and staff regarding resident interests.

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IF11544

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