

The Future of Value-Based Care and Assisted Living

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AMERICAN HEALTH CARE ASSOCIATION

NCAL[®]
NATIONAL CENTER FOR ASSISTED LIVING

Lessons Learned from a Decade of VBC



Incentives Alone Do Not Transform Care



Transformation Requires Investment & Infrastructure



Small Payment Changes Have Limited Impact



Cross-Setting Coordination is Essential



Models Must Be Designed Around Patient Outcomes



Accountability Requires Two-Sided Risk

These lessons are driving a shift toward greater accountability, scale, and provider risk.

Increasing emphasis on:

- Evidence-based **prevention**
- **Patient engagement** and empowerment through data and tools
- Consumer **choice and competition**
- Accountability for **outcomes and cost**
- **Technology-enabled** care and data access
- **Cross-setting** coordination

Fee-for-service → outcomes + total cost of care

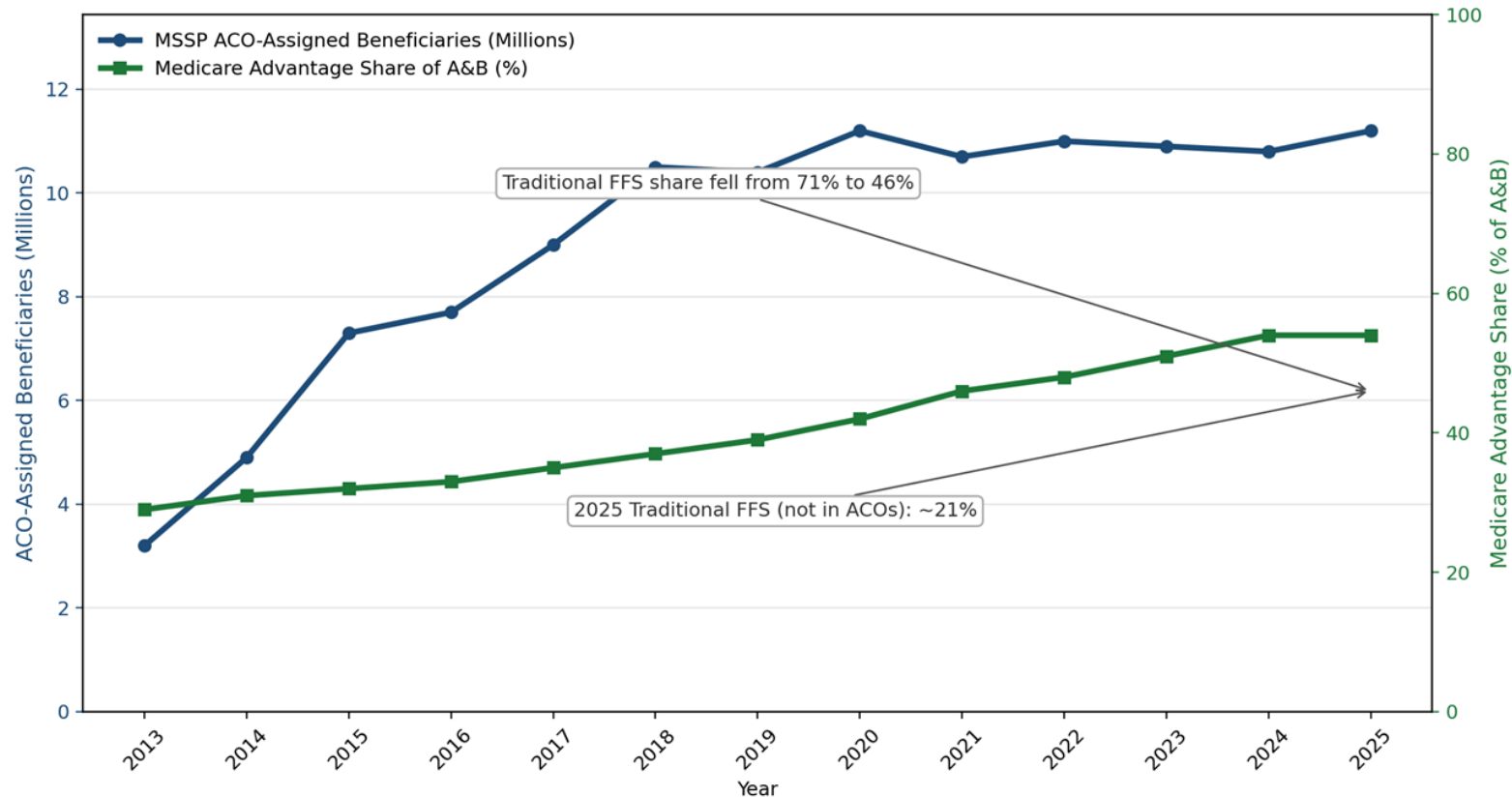
Since 2023: Key Trends Have Accelerated

- MA dominance (>50%)
- ACO evolution
- CMMI redesign (fewer, bigger models)
- High-need populations + prevention

Primary care
(Attribution +
Accountability Hub)

Most Medicare Beneficiaries are Already in Accountable Models

Growth in MA and ACOs vs. Decline in Traditional FFS (2013-2025)
(Data: KFF; MedPAC)



Only a shrinking share
of Medicare
beneficiaries remain
outside MA or ACOs

Assisted Living Increasingly at the Center of a Converging Ecosystem

Often without being fully recognized - or structurally integrated - into healthcare systems

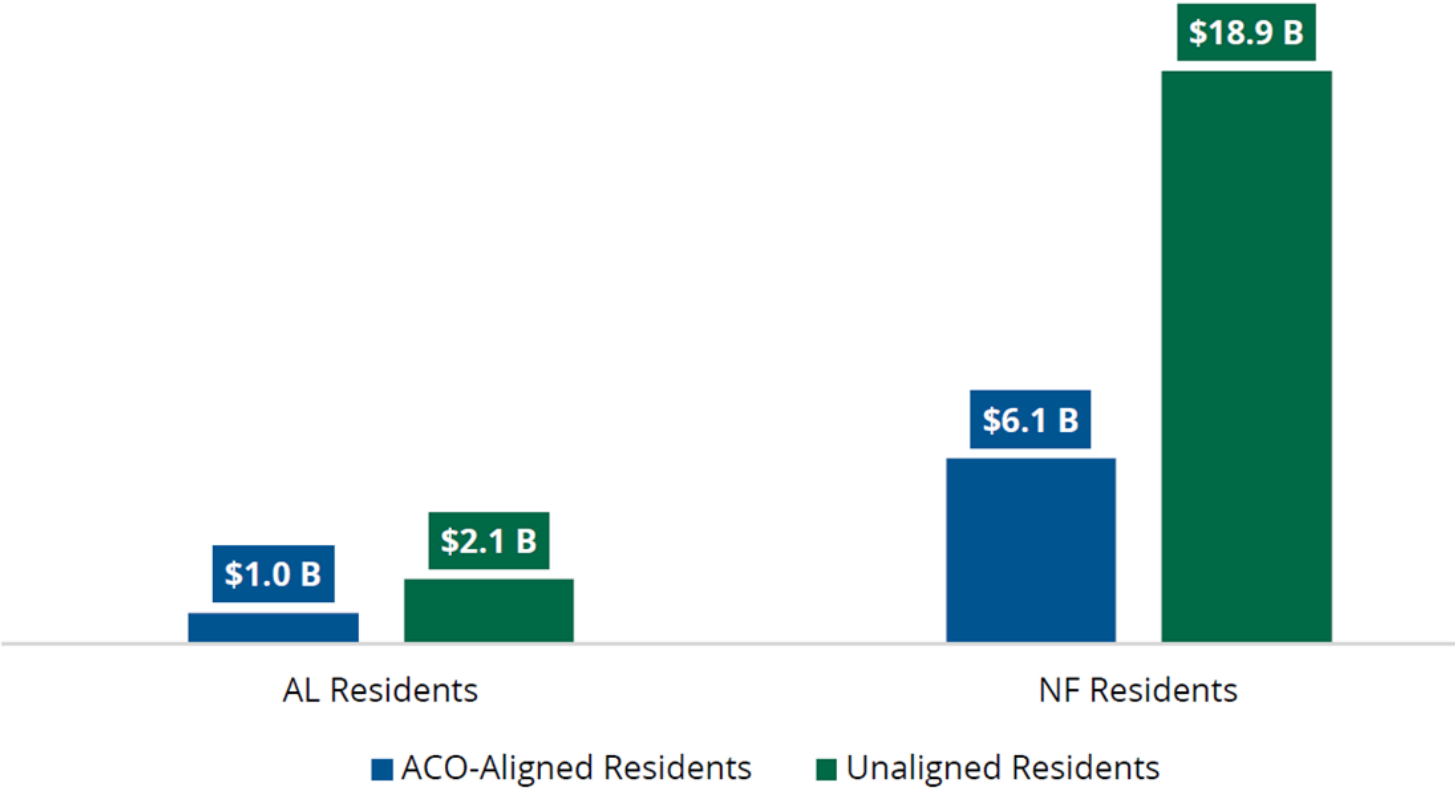


ADDRESSING KEY NON-MEDICAL DRIVERS OF OUTCOMES AND COST

What happens when outcomes depend on settings that are not structurally integrated into healthcare payment and accountability?

Integration Lowers Costs—but Most Assisted Living Remains Outside VBC Models

Medicare FFS Spending on LTC Residents, 2023



Source: Advancing Accountable Care for Long Term Care Residents: Recommendations from AHCA/NCAL ACO Workgroup, Feb 2026;
<https://www.ahcancal.org/News-and-Communications/Fact-Sheets/FactSheets/2026-AHCA-LTC-ACO-Whitepaper.pdf>

Readiness for Value-Based Care Varies Widely Across Assisted Living

Variation Across Assisted Living Providers

- Clinical capabilities & resident acuity
- Workforce capacity and expertise
- Infrastructure and data systems
- Financial resources
- Access to primary and specialty care

Implications for Value-Based Care

- Uneven readiness to take on risk
- Variation in ability to partner with MA plans and ACOs
- Challenges in standardizing outcomes and measurement
- Different pathways to participation

This variation shapes who can participate—and how—in value-based care.

Where Assisted Living Aligns with Value-Based Care

HEALTHCARE GOALS	ASSISTED LIVING STRENGTHS
Prevention and wellness	→ Daily resident engagement
Reduced avoidable utilization	→ Earlier identification of changes
Whole-person care	→ Social and functional support
Longitudinal support	→ Stable residential environment

Assisted living already delivers many of the capabilities value-based care is trying to build.

Technology and Data Enabled Care in AL

Current Reality

- Fragmented data systems
- Limited interoperability
- Capital constraints
- AL Workforce limitations
- Lack of standardized clinical data
- Limited EHR sophistication

Emerging Use Cases

- Fall risk prediction
- Hospitalization risk flags
- Risk stratification
- Remote monitoring
- Medication management analytics
- AI-assisted documentation
- Early detection of condition changes
- Staffing optimization

Barrier: Limited ROI in private-pay model + lack of external funding incentives

Medicare Advantage's Role in Assisted Living

AREA	ROLE OF MA
Paying for long-term AL room & board	Generally, no coverage
Paying for custodial/supportive care	Limited coverage depending on plan
Paying for medical care delivered in AL	Yes
Providing supplemental benefits that support aging in place	Increasingly yes, depending on plan
Covering short-term skilled nursing after hospitalization	Yes

MA influence is growing through partnerships, supplemental benefits, and models such as IE-SNPs—not primarily through direct payment for room and board.

Value-Based Care Models Relevant to AL

CMMI MODELS

GUIDE

- Dementia-focused coordinated care model
- Aims to delay institutional care
- Requires:
 - Person-centered assessments and care plans
 - Care coordination and ongoing management
 - 24/7 access to clinical support
 - Caregiver support, education, and respite services
 - Screening and referral for social needs

MAHA ELEVATE

- Uses cooperative agreements to test innovative care models beyond traditional Medicare coverage
- Focuses on lifestyle and functional interventions for chronic disease prevention and wellness
- Enables assisted living participation directly or through partnerships
- Launching in October 2026 (applications due May 2026)

LEAD

- Next-generation ACO model, succeeding ACO REACH in 2027
- Designed for long-term stability with a 10-year performance period and improved benchmarking
- Expands focus on high-need populations with individual-level eligibility and risk adjustment
- Includes add-on payments and other supports to improve participation, especially for smaller and rural providers

ACCESS

- Technology-enabled chronic care model
- Remote monitoring and digital tools
- Continuous management of complex conditions
- AI-enabled coordination support
- Outcome-aligned payment structure
- Expands care coordination and monitoring beyond traditional clinical settings

MA BASED MODEL

IE-SNPs

- MA-based model aligning clinical care and financing for institutional-level populations
- Enables care delivery and coordination within assisted living settings
- Supports on-site primary care, chronic care management, and reduced hospitalizations
- One of the most direct pathways for assisted living participation in value-based care

The Future of Value-Based Care in Assisted Living

Likely future trends:

- Greater cross-setting accountability
- More partnerships with MA plans and ACOs
- Increased focus on prevention and chronic disease management
- Technology-enabled coordination and monitoring
- More emphasis on measurable outcomes
- Growing interest in community-based aging models

Strategic Questions

- **How should value-based care models evolve to better incorporate assisted living settings?**
- **What policy or payment changes are needed to integrate assisted living into accountable care?**
- **How should outcomes in assisted living be defined and measured within value-based models?**
- **What investments—data, workforce, or partnerships—are required to enable broader participation?**


Thank you!

Questions?

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