

A report to congressional requesters

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**What GAO Found**

Assisted living facilities provide a residential alternative to in-home care and nursing homes for people who need assistance with activities of daily living such as eating and bathing.

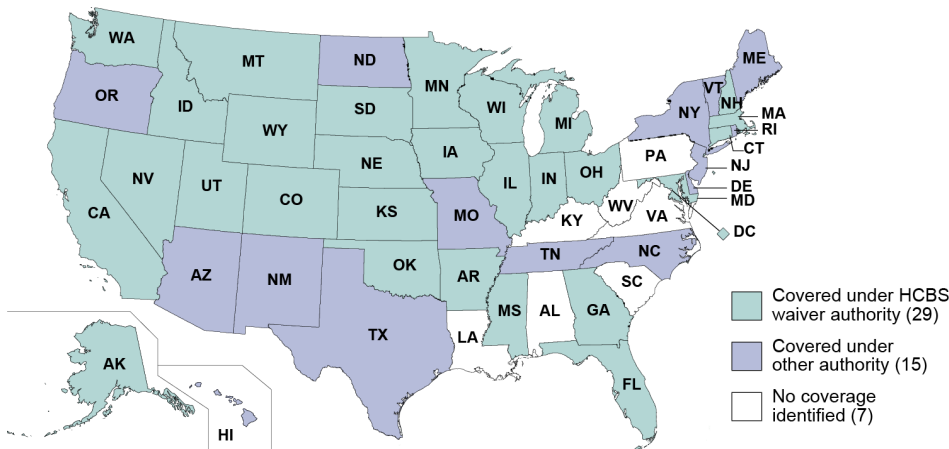
GAO’s analysis of program data showed that federal Medicaid and Medicare spending for services provided in assisted living facilities totaled at least \$12 billion in 2024. This amount is likely an undercount because of data limitations. For example, assisted living facilities are not a uniformly defined provider type and thus not consistently identified in the data.

- **Federal Medicaid spending.** GAO identified at least \$3.5 billion in federal Medicaid spending for services provided in assisted living facilities in 2024. State Medicaid programs may cover assisted living services—that is, assistance with activities of daily living and other supportive services provided in assisted living facilities—as well as other services such as physical therapy.
- **Medicare spending.** GAO identified \$8.5 billion in traditional Medicare spending for services provided in assisted living facilities in 2024. Medicare generally does not cover assisted living services but may cover other health care services such as hospice in assisted living facilities.

Other federal programs, such as Department of Housing and Urban Development and Department of Veterans Affairs programs, may be used by beneficiaries to help cover the costs of certain services, such as room and board, in assisted living facilities. The amount of spending by these programs for such services is unknown.

Forty-four states’ Medicaid programs covered assisted living services for older adults and people with disabilities as of March 2025. More than half of states—29 of the 44—covered these services under Medicaid home- and community-based services waivers. These waivers give states the flexibility to target enrollment to specific populations and to limit the number of participants.

**State Medicaid Coverage of Assisted Living Services for Older Adults and People with Disabilities, as of March 2025**



Source: GAO analysis of federal and state documentation; map resources (map). | GAO-26-107884  
Note: HCBS refers to home- and community-based services. See fig. 3 in GAO-26-107884.

**Why GAO Did This Study**

Millions of older adults and people with disabilities need long-term care, which can be provided in a range of settings, including assisted living facilities. While most assisted living facility residents pay for their care using their own personal resources, federal programs including Medicaid cover certain services provided in assisted living facilities for those eligible.

GAO was asked to provide information on federal program coverage of and spending for services provided in assisted living facilities. Among other things, this report describes (1) federal spending for services provided in assisted living facilities and (2) state Medicaid coverage of assisted living services.

GAO analyzed Medicaid and Medicare claims data from 2024—the most recent year of data available, reviewed program documentation for other federal programs, and reviewed documents for state Medicaid programs covering assisted living services.