

AHCA/NCAL Report

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NCAL Executive Director

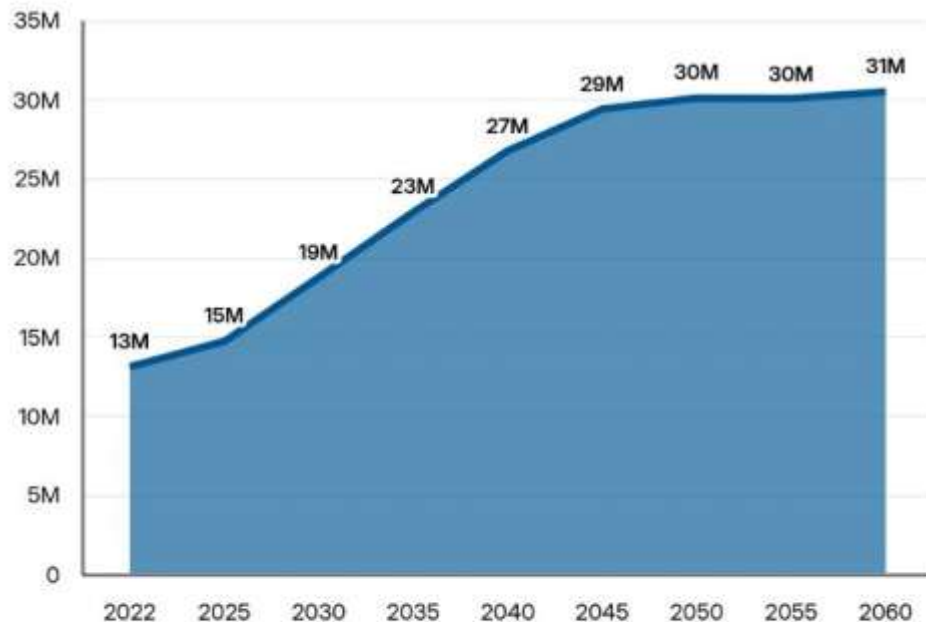


Industry Trends



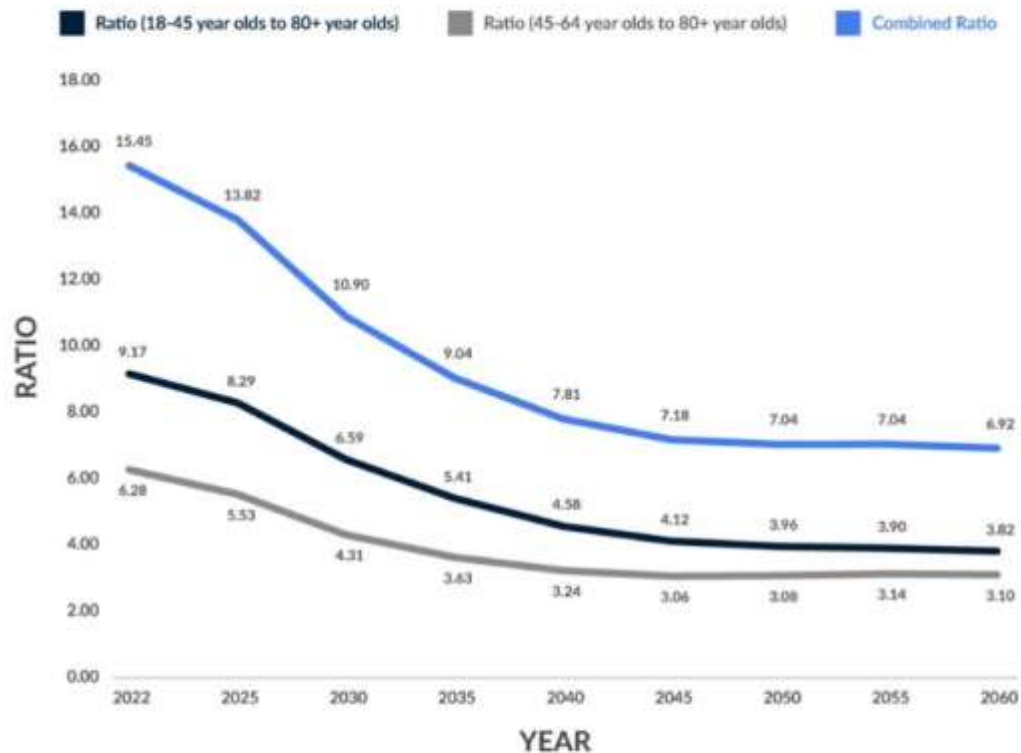
Demographic Drivers: The Aging Population

15M more people in the next 35 years.



Data Source: US Census Bureau 2023 National Population Projections

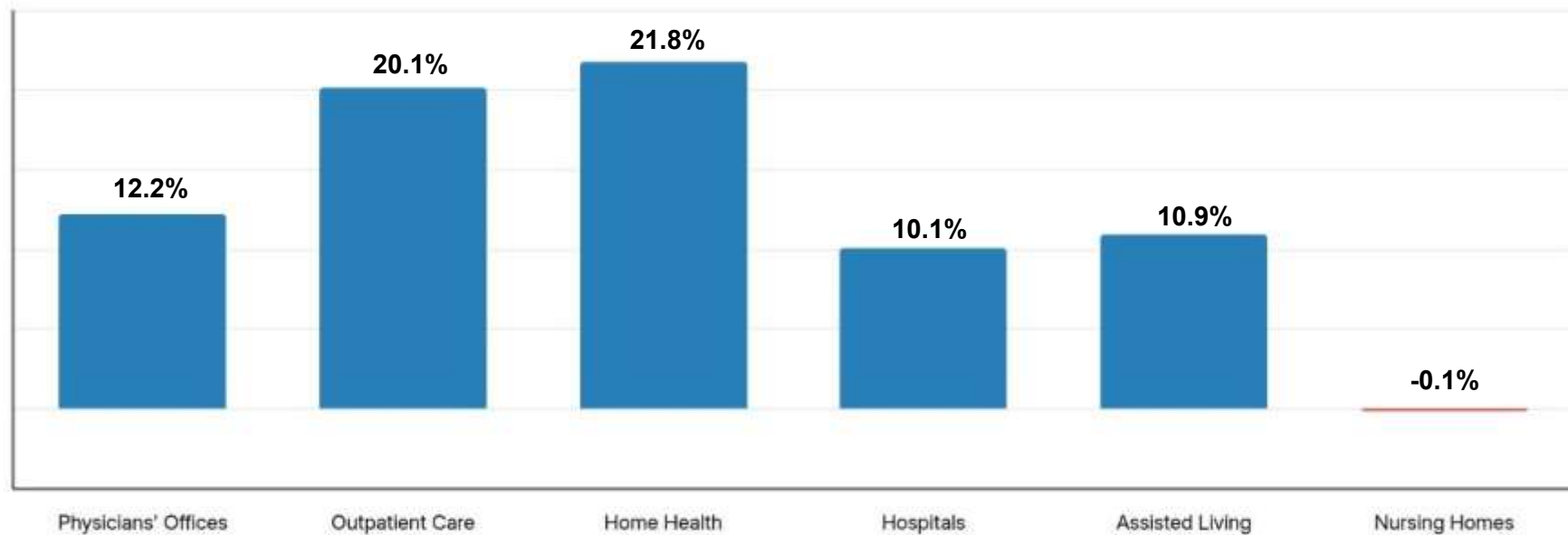
- The U.S. population aged 80+ will grow rapidly through the 2030s.
- This group has the highest utilization of long term care services.
- Demand for assisted living, home-based care, and skilled nursing will increase.



Aging population creates caregiver demand:

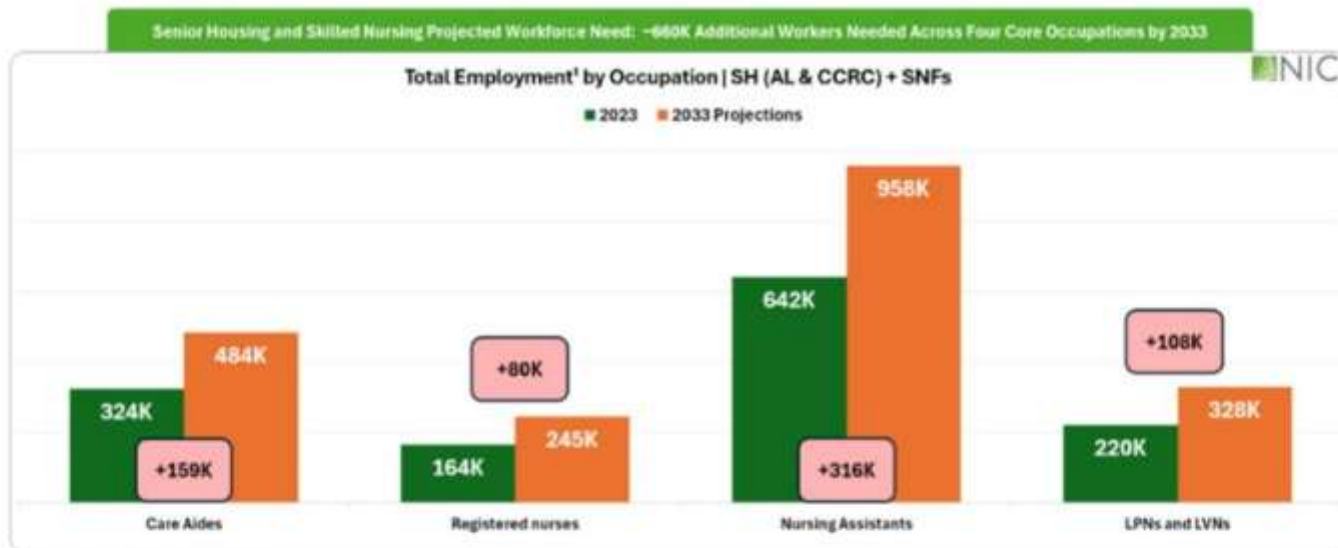
Falling proportions of working-age adults to elderly individuals in the United States over time

Percent Change in Health Care Sector Employment Since Feb 2020



Source: Bureau of Labor Statistics (BLS) February 2020 – May 2026

Workforce Shortage by 2030



Data Source: Bureau of Labor Statistics (BLS)

¹Total Employment (BLS): The number of people on payrolls who are working in a given occupation or industry, excluding self-employed individuals, unpaid family workers, and military personnel. This includes both full-time and part-time workers.

Prepared by: NIC Analytics of the National Investment Center for Seniors Housing & Care (NIC)

SNF & AL Occupancy

Occupancy by Property Type

NIC MAP | Primary Markets



Key Findings

- Senior housing occupancy for the first quarter of 2026 was 89.5%, up 40 basis points from the previous quarter.
- Independent living properties' average occupancy grew by 40 basis points to 91.1% in the first quarter.
- In the first quarter of 2026, assisted living properties' average occupancy was 87.9% - an increase of 30 basis points.
- The average occupancy for nursing care properties increased for the first quarter to 87.1%, a 60 basis point change.



The Financial Reality

Medicaid and Long Term Care

Overview

- Medicaid is the primary payer for long-term nursing home care.
- Many facilities rely on Medicaid for a majority of resident days.
- State Medicaid policy directly affects provider stability.

One Big Beautiful Bill Act

- Major federal legislation affecting Medicaid financing.
- Significant reductions in projected federal Medicaid spending.
- States likely to face increased budget pressure.

There will be a total reduction to state Medicaid budgets of \$664 billion over the 2025-2034 period

SOURCE: RAND

OBBBA Impact on Assisted Living

- **Medicaid – Impact to states**
- **HCBS Expansion**
 - OBBBA allocated fund for expansion of HCBS via a new 1915(c) waiver
 - Implementation Funds
 - \$50 million in FY 2026
 - \$100 million in FY 2027
 - Starts July 1, 2028
- **Takeaways**
 - Not enough money to stand up a program; only covers initial implementation costs.
 - Payments not intended to cover services; however, will get FMAP for any eligible individuals.
 - Opens the door for broadening HCBS services for those that may need HCBS services but don't qualify for Medicaid.

Affordable Assisted Living

- 43 States have either a 1915 or 1115 Medicaid Waiver for assisted living
- One in five assisted living residents relies on Medicaid for their care
- Waiver Caps Limit the number of individuals that can access the benefit
- HCBS programs already have more than 700,000 individuals on wait lists in 40 states across the country

State Medicaid Fiscal Pressures

Potential State Impacts

- States may need to rebalance budgets
- Potential responses include eligibility restrictions and provider cuts
- Long term care historically vulnerable to reductions

Potential Provider Impacts

- Reduced Medicaid reimbursement rates
- Increased uncompensated care
- Pressure on rural and safety-net providers

States most exposed to Medicaid policy changes may include:

- ▲ California
- ▲ New York
- ▲ Arizona
- ▲ Nevada
- ▲ Iowa

These states rely heavily on Medicaid funding mechanisms, such as provider taxes.

Figure 2.3. Overall Impact of Provisions on Medicaid Budgets as a Percentage by State (2025–2034)



SOURCES: Authors' calculations featuring information from data sources described in Appendix A.

CMMI Accelerates Shift to Value-Based Care

Fee-For-Service Will Shift to Fee-For-Value

Shift To Involuntary Hospital-Based Bundle

LTC/PAC Relevant Models

- TEAM (Mandatory)
- AHEAD/Geo AHEAD
- MAHA ELEVATE
- LEAD

Additional Models

- WISeR
- ASM
- ACCESS/TEMPO
- 4 Drug Pricing Models

Active

Future

Association Update



Who We Are

Improving Lives by Delivering Solutions for Quality Care

**Voice in
Washington**

**Leader in
Quality**

50

State Affiliates + Washington DC

15,000+

Member Facilities

1M+

SNF Beds

300,000+

AL Beds

Member Benefits

★ Advocacy & Policy Leadership

Represent members at the federal level to protect reimbursement, strengthen workforce, and advance practical policy solutions.

★ Public Affairs & Media Support

Provides strategic communications support including media relations, messaging, talking points, and crisis guidance to help members navigate and tell their story effectively.

★ Regulatory & Clinical Expertise

Offers hands-on support to help providers understand and navigate complex regulations, survey processes, and compliance requirements.

★ Education & Trainings

Delivers high-quality education, conferences, trainings, and on-demand learning to keep teams informed and advancing.

★ Quality Improvement & Recognition

Recognizes members for delivering high-quality care through its National Quality Award Program.

★ Workforce Resources & Solutions

Provides tools, campaigns, and policy support to help recruit, train, and retain a strong long term care workforce.

★ Data & Insights

Equips members with data, benchmarking, and analytics to inform decision-making and improve performance.

★ Networks & Collaboration

Connects members through national networks, peer learning opportunities, and partnerships to share best practices and drive innovation.

★ National Voice & Industry Leadership

Serves as the leading voice for long term care, elevating the value of the profession and advocating for our providers and the residents they serve.

Programs & Resources



Regulatory Resources

Navigating Complex Regulations with AHCA/NCAL

ahcancal.org/Survey-Regulatory-Legal

- AHCA/NCAL's regulatory team ensures member centers receive the guidance and resources needed to understand and develop systems to meet requirements and regulations.

ahcancal.org/Assisted-Living/Policy

- Assisted living members have access to a State Regulatory Review, regulation mapping, comprehensive survey data, and bill tracking to help members navigate evolving regulations.

Education Tools



ahcancaLED

An innovative online learning platform designed to empower long term care and assisted living professionals. Explore engaging courses, earn essential CEs, and access valuable tools on key topics.



AHCA/NCAL Publications

Delivers essential resources for nursing homes, assisted living communities, and ID/DD facilities — from staffing and compliance to leadership and training.



LTC Trend Tracker

Helps members identify key areas to address and set targets through performance benchmarking, trending data, easy to understand publications, and customizable reports.



Long Term Care Data Cooperative

Data resource that assembles skilled nursing facilities electronic health record data to drive measurable improvements in care.

The National Quality Award Program

AHCA/NCAL recognizes members for delivering high-quality care through the National Quality Award Program, which is based on the criteria of the Baldrige Performance Excellence Framework.

As organizations advance through three progressive levels, they continuously enhance the quality of care and services they provide.

- **Bronze – Commitment to Quality:** Identify a performance improvement system, considering important factors such as the organization's mission, vision, and success metrics.
- **Silver – Achievement in Quality:** Utilize the organization's performance improvement system to evaluate and improve processes.
- **Gold – Excellence in Quality:** Showcase a culture of continuous quality improvement that incorporates leadership, strategic planning, customers, workforce, knowledge management and operations and includes routine comprehensive assessments of key performance metrics.



A Proven Path for Quality Improvement: The AHCA/NCAL Quality Award Program

Celebrating Three Decades of Excellence



- **Record Participation in 2026**

More than 2,000 applications submitted, showing significant growth and the highest total in program history.

- **Silver and Gold Award Recipients Outperform Their Peers**

- ✓ 32% of recipients achieve 5-star ratings, significantly higher than the national average of 18%.
- ✓ Recipients more likely to have higher occupancy, lower staff turnover, and fewer emergency department visits, hospitalizations, antipsychotic use, and pressure ulcers.

The Better Way

1 Strengthening
the Long Term
Care Workforce

2 Reaffirming the
Promise of
Medicare
Advantage

3 Rationalizing the
Regulatory
Environment

4 Supporting
States at the
Local Level with
Medicaid

AHCA
AMERICAN HEALTH CARE ASSOCIATION

These policies ensure residents are the center of all policy discussions, and quality is at the core of every solution."

Clif Porter
AHCA/NCAL President & CEO

Strengthening the Workforce



Caregivers for Tomorrow

AHCA/NCAL's workforce policy campaign works to advance meaningful solutions that will strengthen the long term care workforce



Overall Objective

To drive policy change to strengthen and expand the long term care workforce through innovative, sustainable solutions



Component of the Better Way

Calls for investing in workforce development, streamlining career pathways and fostering environments where caregivers can thrive



Highlights Our Top Priorities

Our top priorities to point policymakers toward tangible actions that can move the needle and make a difference



Solutions

1. Building the Pipeline
2. Recruitment & Retention
3. Training & Career Growth
4. Technology & Innovation

Caregivers for Tomorrow: Solutions

Recruitment & Retention

Develop **incentive programs** to recruit **workers to long term care**, such as loan forgiveness, tax credits, affordable housing, & childcare support.

Offer grants to support partnerships between nursing homes and higher learning institutions that include **student scholarships** or **employment of students** at LTC facilities.

Training & Career Growth

Expand and expedite **career ladder programs in nursing** to increase the availability of registered and licensed nurses, with a focus on upward mobility from entry-level roles.

Provide grants to support the development of skills and ongoing training for the nursing workforce, including the expansion of **apprenticeship programs** and **accessible education programs**.

Technology & Innovation

Extend **telehealth flexibilities** to improve access to care, especially in rural areas.

Advance **federal health information technology** and **AI clinical policies** to include long term and post-acute care providers, to streamline processes for and reduce burnout among caregivers.

Building the Pipeline

Pass **common-sense immigration reform** that expands and streamlines legal pathways for international caregivers to work in the long term care profession.

Allocate funding to nursing schools that both **address faculty shortages** and **promote graduate placement** in nursing homes.

Workforce Legislation

- **Healthcare Workforce Resilience Act**

Allows for the recapture of unused visas for doctors, nurses, and their families.

- **Ensuring Seniors' Access to Quality Care Act**

Allows nursing facilities to resume in-house education programs after correcting deficiencies.

- **Caring for Seniors Act**

Invests in workforce development programs for the senior living sector.

- **Train More Nurses Act**

Directs the Secretary of HHS and the Secretary of Labor to conduct a review of all nursing grant programs to find ways to increase faculty at nursing schools.



Reaffirming the Promise of Medicare Advantage

Challenges with Access

- As patients get sicker, MA plans are too often denying or delaying seniors' access to necessary post-acute care, including in skilled nursing facilities.
- From 2019 to 2022, the top three MA insurers denied prior authorization requests for post-acute care at higher rates than for other types of care.
- As a result, the rate of seniors in the final year of their lives leaving MA plans for traditional Medicare doubled from 2016 to 2022, leaving taxpayers will the bill.

A STAT INVESTIGATION Denied by AI: How Medicare Advantage plans use algorithms to cut off care for seniors in need



By Casey Ross and Bob Herman March 13, 2023



Sources: U.S. Senate Permanent Subcommittee on Investigations, "Refusal of Recovery: How Medicare Advantage Insurers Have Denied Patients Access to Post-Acute Care" October 2024

Wall Street Journal, "The Sickest Patients Are Fleeing Private Medicare Plans—Costing Taxpayers Billions" November 11, 2024

STAT, "Denied by AI: How Medicare Advantage plans use algorithms to cut off care for seniors in need" March 13, 2023.

A Better Way: Our Solutions

Reaffirming the Promise of Medicare
Advantage

- **Seniors have earned the right to make choices, changes, and have timely access to necessary care.**
 - ✓ Put the power to determine the course of care in the hands of medical professionals and patients, rather than AI or insurers.
 - ✓ Enhance MA transparency and the rating system, so seniors can make informed decisions.
 - ✓ Foster market competition, so seniors have options to select the best plan.
- **Make sure patients, policymakers, and taxpayers are getting the best deal.**
 - ✓ Encourage insurers to work with providers to improve outcomes and reduce costs through shared savings programs.

Medicare Advantage Legislation

Key legislative efforts to improve the Medicare Advantage landscape.



- **Medicare Advantage Improvement Act of 2026**
Aims to protect patients from inappropriate delays and denials, standardize coverage criteria between MA and traditional Medicare, increase transparency surrounding prior authorizations and compliance, ease administrative burdens, ensure prompt payments, and strengthen access to post-acute care.
- **Prompt Pay Act (Sens. Cortez Masto/Blackburn)**
Ensures prompt and timely payments to healthcare providers within Medicare Advantage plans.
- **Prompt and Fair Pay Act (Reps. Doggett/Murphy)**
Establishes a system for prompt and equitable reimbursement for Medicare Advantage services.
- **Improving Seniors Timely Access to Care Act 2025 (HR 3514)**
Guarantees seniors timely access to necessary post-acute and other Medicare Advantage covered services.

Rationalizing the Regulatory Environment





A Broken Oversight System

- For decades, federal bureaucrats have doubled down on an excessive punitive system that has failed to produce real change.
- Federal regulators pile on regulations, guidance, and penalties, while administering enforcement disproportionately.
- The current system is inconsistent and ineffective. It does not drive quality improvement among nursing homes or enhance the quality of life for residents.
- Stakeholders across the gamut are unsatisfied with the results, and policymakers aren't getting a return on their investment.

A Better Way: Our Solutions

Rationalizing the Regulatory Environment

- **Create more effective and balanced oversight that prioritizes quality care while maintaining safety, accountability, and transparency.**
- **Examples:**
 - Update the Five-Star Rating System: to provide more complete and useful information to consumers.
 - Expand Risk-Based Surveys Nationwide: to reduce survey backlog, recognize higher-quality facilities, and incentivize more facilities to qualify.
 - Improve Access to the Civil Monetary Penalty Reinvestment Program: to increase use of funds on quality improvement initiatives; allow them to be used for workforce programs and technology investments to enhance care.
 - Strengthen the Special Focus Facility Program: to help poor-performing facilities get better and out of the program.

Better Way Regulatory Achievements

- **IDR**

Timely response, completed within 60 days of facility's request, of Informal Dispute Resolutions and provision of a written rationale for the decision made. *(April 30th)*

- **Survey**

- **Off-site Revisits:** Allowance of off-site desk paper reviews for revisits where deficiencies are less serious (F and below, without SQC) and do not require onsite observation. *(April 30th)*
- **Non-compliance cycle closure:** clearer guidance on how to end a survey enforcement cycle before starting another when dates overlap. *(April 30th)*
- **Risk-based survey:** Shorter, focused reviews for top 10% high quality performers. *(Nationwide by Fall 2026)*

- **NATCEP Flexibilities**

Instructor qualifications, remote allowances for exams and skills observation.

- **CMP Reinvestment Program**

Expanded allowing use for workforce, mental/behavioral health and technology; Simplified application; Transparency of fund balances.

- **Five Star**

Third Standard Survey dropped from the Five Star Health Inspection Rating.

- **Revalidation**

Jan 1, 2026 reporting deadline indefinitely suspended.

Federal Focus on Assisted Living

- **Regulation: 2028 Medicaid Home and Community-Based Services (HCBS) Quality Measure Set**
- **2024 GAO Request for Review by Senate Aging Committee**
 - January 2024 - Hearing
 - First Senate Aging Committee Hearing in 20 years
 - Review focused on transparency in assisted living
- **2025 Request for Review of 2018 GAO Report by Senators Gillibrand, Wyden and Warren**
 - How oversight of assisted living has changed since the 2018 report
 - Types of deficiencies/ critical incidents identified in recent years
 - How CMS is implementing the updated monitoring and reporting requirements for state Medicaid programs
 - Need for additional oversight in assisted living



**Continuing to
Support States at
the Local Level
with Medicaid**



Medicaid: The Lifeblood of Long Term Care

- Nearly **two-thirds** of nursing home residents rely on Medicaid to cover their care costs.
- **One in five** assisted living residents relies on Medicaid for their care.
- In many states, Medicaid reimbursement rates fail to cover the actual cost of nursing home care, averaging only **82 cents on the dollar**.
- Chronic underfunding creates significant challenges, including:
 - Difficulty investing in the workforce.
 - Limited capacity for enhancing care services.
 - Inability to modernize facilities.
 - For some providers, it leads to closure.

A Better Way: Our Solutions

Supporting States with Medicaid

- Protect and defend Medicaid from cuts.
- Federal policymakers should require that Medicaid rates are brought up to equal the cost of care and regularly updated to keep pace with increasing costs.
- **AHCA/NCAL offers to its state affiliates:**
 - State Revenue Advocacy Grants
 - State Medicaid Assistance Grants
 - Technical Education Grants

Assisted Living Legislation

- ACCESS ACT
- HCBS Access Act
- 21st Century ROAD to Housing Act

Join the #ProgressParade

Celebrate, share, and support residents' journeys through our social media campaign!

- **Host a #ProgressParade**

Initiate your own parade to showcase progress and milestones.

- **Share Your Stories**

Post videos and pictures on social media using the hashtag #ProgressParade.

- **Engage Your Community**

Encourage residents, patients' families, and the community to participate actively.

- **Utilize Campaign Resources**

Access our [campaign toolkit](#) for effective participation.



EARLY BIRD REGISTRATION IS NOW OPEN

AHCADeliveringSolutions.org

AHCA NCAL

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by First Quality OFFICIAL
CONVENTION
SPONSOR



DELIVERING SOLUTIONS 26

AHCA/NCAL CONVENTION & EXPO

OCTOBER 11-14, 2026 BOSTON, MA

OPENING KEYNOTE

JOSH LINKNER

Serial Entrepreneur, *New York Times* Bestselling Author, and
Venture Capital Investor



CLOSING KEYNOTE

RYAN HOOVER

RN, NHA Administrator,
Mountain View Nursing Home,
Aroda, VA



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