



**TESTIMONY OF
SUSAN SAXINGER
EXECUTIVE DIRECTOR
PENNSYLVANIA ASSISTED LIVING ASSOCIATION (PALA)**

**BEFORE THE
HOUSE AGING & OLDER ADULT SERVICES COMMITTEE
AND THE
HOUSE HUMAN SERVICES COMMITTEE
COMMONWEALTH OF PENNSYLVANIA
JUNE 17, 2026**

Joint Public Hearing: Medicaid In Lieu of Services in Assisted Living

Harrisburg, Pennsylvania

Chairwoman Madden, Chairman Mentzer, Chairman Williams, Chairman Heffley, and members of the House Aging & Older Adult Services Committee and House Human Services Committee, thank you for the opportunity to testify today regarding Pennsylvania's use of Medicaid In Lieu of Services, or ILOS.

My name is Susan Saxinger, and I serve as Executive Director of the Pennsylvania Assisted Living Association, commonly known as PALA.

PALA is the statewide trade association representing Pennsylvania's licensed Assisted Living Residences and Personal Care Homes. Across the Commonwealth, these communities provide housing, assistance with activities of daily living, medication administration and management, meals, transportation, social and recreational opportunities, health-related supervision, and other supportive services to more than 40,000 older adults and individuals with disabilities. Together, they play a vital role in Pennsylvania's long-term care continuum by helping individuals remain engaged, supported, and safe while receiving needed services in a home-like setting.

Our mission is to strengthen the capability of Pennsylvania's licensed personal care homes and assisted living residences to provide affordable, community-based, person-centered care and services. Central to that mission is ensuring that older adults have access to high-quality care options that promote dignity, independence, and choice, allowing them to receive needed supports in the least restrictive setting appropriate to their needs.

I would like to thank the Pennsylvania Department of Human Services, the Community HealthChoices managed care organizations, and members of the General Assembly for their leadership in exploring and implementing In Lieu of Services opportunities. PALA appreciates the willingness of policymakers and stakeholders to think creatively about how Medicaid can better support older adults and individuals with disabilities in community-based settings.

ILOS represents an important step forward. It expands access to care, increases choice, and provides more opportunities for older adults to receive services in settings that align with their needs and preferences.

The implementation of ILOS has created new pathways for eligible individuals to access assisted living services that were previously unavailable through Pennsylvania's Medicaid program. As a result, more older adults who meet nursing facility clinical eligibility criteria now have the opportunity to receive care in an Assisted Living Residence when that setting is appropriate to their needs. This progress demonstrates the value of providing a broader range of care options within the long-term services and supports system and highlights the important role assisted living can play in serving Medicaid beneficiaries.

The results of the ILOS program are encouraging. Although utilization was modest during the initial rollout, participation has grown steadily over time. One PALA member organization is now serving 17 individuals through the program, and the number of participants transitioning from skilled nursing facilities to Assisted Living Residences continues to increase. This growing participation reflects both the demand for and success of ILOS in helping older adults access appropriate care in a less restrictive setting.

To illustrate the impact of ILOS, we would like to share the story of Sylvia, a resident of Tapestry Senior Living whose life was positively changed by the opportunity to transition from a skilled nursing facility to assisted living through the program.

PLAY VIDEO

Sylvia's story illustrates the real-world impact of ILOS. It demonstrates how access to assisted living services can help eligible older adults receive the care they need in a setting that supports their independence, well-being, and quality of life.

As policymakers evaluate the future of long-term services and supports in Pennsylvania, PALA believes ILOS provides an important foundation upon which to build. While the program has expanded access to assisted living for some eligible individuals, Pennsylvania has an opportunity to further strengthen its system by making assisted living services a covered benefit under the Community HealthChoices waiver. Most states utilize Medicaid programs to help eligible older adults access assisted living services, providing greater choice and flexibility in how care is delivered.

The success of ILOS also highlights the value of assisted living within Pennsylvania's long-term care continuum. Assisted Living Residences provide housing, personal care, medication management, and

other supportive services that enable individuals to remain in a community-based setting while receiving the assistance they need. As Pennsylvania's population continues to age and demand for long-term services and supports grows, assisted living can be an important part of a person-centered, cost-effective system of care.

Today, a low-income older adult who meets Nursing Facility Clinically Eligible (NFCE) criteria can receive Medicaid-covered services in a skilled nursing facility. Through ILOS, some of these individuals now have the opportunity to receive appropriate care in an Assisted Living Residence. Because assisted living services are not currently identified as a covered service under the Community HealthChoices waiver, ILOS serves as the primary pathway to access these services. The program's demonstrated success provides a strong basis for continued evaluation of how assisted living can support consumer choice, quality outcomes, and cost-effective care.

That is why PALA supports a long-term strategy that builds upon the promise of ILOS. We encourage the continued development and evaluation of ILOS initiatives through Community HealthChoices while also considering ways to make assisted living services more broadly available to eligible Medicaid beneficiaries.

These approaches are complementary. ILOS provides flexibility and innovation today, while broader access to assisted living services would help ensure that older adults can receive care in the setting that best meets their needs.

PALA is committed to working with the Department of Human Services, Community HealthChoices managed care organizations, legislators, advocates, and other stakeholders to advance these shared goals and strengthen Pennsylvania's long-term care system.

Most importantly, we hope to create opportunities for more Pennsylvanians to experience the kind of positive outcome we heard from Sylvia today. Her story demonstrates the impact that access, choice, and appropriate care can have on an individual's quality of life. By building on the success of ILOS, Pennsylvania can help more older adults receive the care they need in the setting that best meets their needs.

Thank you again for the opportunity to testify. I would be pleased to answer any questions.