Supported Living in 2026: Best Practices and Real Challenges Nationwide, and What's Changing in California

Outline created, content edited and reviewed by Allen, Shea & Associates • Researched by Anthropic AI • For individuals, families, and service coordinators • September 2026

What Supported Living Is, Briefly

Supported Living Services (SLS) let adults with intellectual and developmental disabilities live in a home they choose — one they own or lease — with paid support built around them, rather than moving into a program built around a fixed level of care. California's Department of Developmental Services (DDS) describes SLS as designed to help people “exercise meaningful choice and control in their daily lives, including where and with whom to live,” with services that can include help choosing housing, hiring and training personal staff, daily living support, community participation, and money management. It's meant to flex as a person's needs change, for as long as they need it.

What follows is what practices providers and coordinators are being pushed toward, obstacles getting in the way, and what's changed in California law this year.

Current Best Practices in Supported Living Nationwide

Person-centered planning that drives the budget.

The strongest SLS programs build the support plan around what an individual says they want — routines, relationships, work, hobbies — and staff to that, rather than fitting the person into whatever staffing pattern is administratively convenient.

Consistency of staff.

Turnover is the single biggest threat to quality support. Providers doing this well prioritize scheduling and pay practices that keep the same few people working with someone over time. Trust and effective support both take time to build.

Dignity of risk and supported decision-making.

Good practice treats reasonable risk-taking as part of a full life rather than something to be engineered. It leans on supported decision-making tools and does not default to substitute decision-makers or conservatorship.

Genuine community integration.

Under the federal HCBS settings rule, a supported living setting is supposed to look and function like anyone else's home and give someone full access to the broader community. The best programs treat that as a floor, not a ceiling focusing on real jobs, real neighbors, and ordinary places.

Thoughtful use of remote and assistive technology.

Remote supports — check-in calls, sensors, video prompts — are increasingly used to extend independence for people who want less in-person staffing. The field's emerging consensus is that this counts as best practice only when it's the person's own choice, backed by a real in-person response plan. It is not meant to be used as a cost-cutting substitute imposed on someone.

Data-informed quality review.

Tools like the National Core Indicators survey are being used to understand what a program does well and where it might fall short on outcomes that matter to the person. Outcomes such as feeling safe, having friends, and getting to choose staff.

The Real Challenges Providers and Families Are Navigating

The direct support workforce shortage.

This is the challenge underneath most others. ANCOR's most recent national survey of community disability providers found 88% reporting moderate or severe staffing shortages in the past year, 62% turning away new referrals because they couldn't staff them, 29% discontinuing programs altogether because of it, and 36% linking high turnover to more frequent reportable safety incidents. Supported living, which depends on consistent one-to-one or small-team relationships, is hit especially hard — a program can be well designed on paper and still fail someone if the staff behind it keeps turning over.

Wages that don't reflect the job.

Direct support work in SLS requires real skill — medication management, behavioral support, crisis response, teaching daily living skills — but pay has historically lagged far behind comparable healthcare roles, which is a major driver of the turnover above.

Housing that people on SSI genuinely can't afford.

Most adults using SLS rely on SSI as their only income, and the gap between SSI and market rent has been a persistent, well-documented problem in California. The Arc California's own analysis of the issue found SSI income falling well below “extremely low income” thresholds even against the cheapest available rents in the state. That structural gap hasn't closed, and it shapes where and how SLS can realistically be offered.

Additional Compliance.

The federal HCBS settings rule requires ongoing documentation that a setting is genuinely community-integrated and person-directed.

Funding that doesn't track the real cost of quality staffing.

Rate-setting has long lagged what it costs to recruit, train, and retain qualified direct support staff. Providers describe a persistent gap between what programs are reimbursed and what quality support costs to deliver.

California: What's Changing in Law and Regulation

SB 163 (signed July 13, 2026) — this year's major developmental services trailer bill.

It touches supported living directly. It gives individuals and families the option to voluntarily receive certain services remotely through December 31, 2028, with providers required to document remote service use monthly and DDS reporting to the Legislature quarterly starting March 2027 — effectively writing into law flexibility DDS had previously extended only through administrative directive. SB 163 also codifies the Life Outcomes Improvement System (LOIS) as the statewide case management platform, creates a new, more person-centered grievance process, updates rate reform provisions, and includes measures aimed at improving access to employment.

A proposed 40-hour workweek / overtime protection for SLS staff.

This was part of DDS's 2026-27 budget package. The idea is to write California's existing overtime protections for supported living workers into state law, explicitly because pending federal rule changes could otherwise unsettle that protection. As of this writing, this is a budget proposal DDS put forward, not yet confirmed as separately chaptered law — worth watching rather than treating as settled.

The Rate Reform / Quality Incentive Program contracting exemption was extended through December 31, 2030.

This gives DDS and its contractor more runway to keep adjusting service rates, work through the complexity of full rate reform, and build community input into the process rather than rushing it.

The federal HCBS settings rule remains the backdrop for all of this.

Full compliance with the settings rule became a condition of federal Medicaid reimbursement back in March 2023, and it's still the standard supported living settings in California are measured against — genuinely home-like, integrated, and chosen by the person, not simply licensed and staffed.

What This Means for You

If you're an individual or self-advocate using or considering SLS:

You now have a stronger, more explicit legal basis — through SB 163 — to ask for certain services remotely if that's genuinely your preference. It's your choice to make. It's also a reasonable moment to ask your service coordinator directly how your current provider is doing on staff consistency, since that's the single biggest predictor of whether your support will actually hold together over time.

If you're a family member:

The workforce shortage and the SSI-versus-rent gap are the two structural forces most likely to affect whether SLS is realistically available and stable for your family member, and neither is going away quickly. Advocating for adequate SLS rates, and for housing solutions at the state level, isn't a side issue — it's central to whether SLS actually works.

If you're a provider or service coordinator:

Staff retention is the highest-leverage lever you have over outcomes, worth protecting even where it's expensive. SB 163's remote-services provision needs careful, documented, person-by-person decision-making, not a blanket policy — the law requires monthly documentation and gives DDS legislative reporting obligations starting March 2027, so building that habit early will matter. It's also worth tracking whether the SLS overtime proposal advances from budget proposal to enacted law, since it would directly affect scheduling and labor cost planning.

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