Trends in Users and Expenditures for Home and Community-Based Services as a Share of Total Medicaid LTSS Users and Expenditures, 2022

Caitlin Murray, Cara Stepanczuk, Alexandra Carpenter, and Andrea Wysocki, Mathematica

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Background

Federal Medicaid rules allow states to cover a wide range of institutional and home and community-based long-term services and supports (LTSS). The types of services, populations covered, and delivery models differ greatly across states based on each state's Medicaid program structure. Over the last several decades, states have sought to rebalance their Medicaid LTSS systems by increasing access to home and community-based services (HCBS) and reducing reliance on institutional care. Measurement of national and state progress toward this goal includes both the share of total Medicaid LTSS users receiving HCBS and the share of total Medicaid LTSS spending for HCBS. These measures are commonly referred to as LTSS user and expenditure rebalancing ratios.

Key findings

- In 2022, 86.6 percent of Medicaid LTSS users received HCBS.
- In 2022, HCBS accounted for 64.6 percent of Medicaid LTSS expenditures.
- At the national level, LTSS user and expenditure rebalancing ratios increased slightly from 2021 to 2022.
- Expenditure rebalancing ratios showed greater variation across states than user rebalancing ratios.
- Both user and expenditure rebalancing ratios varied the most by age group: those ages 0 to 20 had the highest rebalancing ratios and those ages 65 and over had the lowest.
- The LTSS subpopulation with the lowest user and expenditure rebalancing ratios was older adults (64.9 and 47.0, respectively).

This brief presents national and state[1,2] trends in Medicaid LTSS user and expenditure rebalancing ratios for 2022,[3] based on data from the Transformed Medicaid Statistical Information System Analytic Files (TAF).[4] It also presents national rebalancing ratios

[1] This analysis includes data for all 50 states and the District of Columbia. It does not include data for U.S. territories because they do not generally cover LTSS, and only two territories (Puerto Rico and the Virgin Islands) report Transformed Medicaid Statistical Information System (T-MSIS) data.

[2] The analysis excluded Alabama's 2021 LTSS measures due to concerns about the quality of the TAF data used in the calculations. Specifically, the analysis suppresses Alabama's state-level LTSS measures and excludes the state's data from all national calculations for 2021, which is used as a comparison year in this brief.

[3] Expenditure rebalancing ratios for prior years are available at https://www.medicaid.gov/medicaid/long-term-services-supports/reports-evaluations/index.html.

[4] When interpreting findings, please note that the completeness, quality, and consistency of TAF data vary by state. For more information on the data source, methodology, state anomalies, and data tables, see the Methods box at the end of this brief.

by select characteristics, including age, sex, dual-eligibility status,[5] urban or rural residence, primary spoken language, and race and ethnicity. Using 2022 TAF data, the brief includes user and expenditure rebalancing measures for five LTSS subpopulations: (1) older adults (age 65 and older); (2) people under age 65 with potentially disabling conditions; (3) people with autism spectrum disorder (ASD), intellectual disabilities (ID), or developmental disabilities (DD); (4) people with mental health (MH) conditions or substance use disorders (SUD); and (5) other people who use LTSS.[6]

The categories of HCBS included in total user and expenditure calculations align with those eligible for a temporary increase of 10 percentage points in the federal medical assistance percentage (FMAP) under section 9817 of the American Rescue Plan Act of 2021 (ARP):[7] section 1915(c) waiver programs; section 1915(i) HCBS state plan option; section 1915(j) self-directed personal assistance services (PAS); section 1915(k) Community First Choice; Program of All-Inclusive Care for the Elderly (PACE); state plan personal care services; state plan home health services; state plan rehabilitative services; state plan case management services; and state plan private duty nursing services.[8]

The categories of institutional LTSS included in total user and expenditure calculations align with previously published expenditure analyses:[9] nursing facility, intermediate care facility for individuals with intellectual disabilities (ICF/IID), mental health facility, and mental health facility disproportionate-share

[5] Dually eligible enrollees are Medicaid enrollees also enrolled in Medicare Part A and/or Part B. Medicare is the primary payer for services that are covered by both programs for enrollees who are eligible for the covered services. Full-benefit dually eligible enrollees are entitled to full-scope Medicaid coverage, including for services that Medicare does not cover, such as LTSS.

[6] For more information about the definitions of each LTSS subpopulation, refer to the accompanying document titled "Methodology for Identifying Medicaid Long-Term Services and Supports Expenditures and Users, 2022."

[7] For more information on HCBS categories eligible for the temporary FMAP increase under the ARP section 9817, refer to https://www.medicaid.gov/sites/default/files/2022-03/smd21003-update.pdf.

[8] We assigned each claim to one category, with program-based services, for which enrollment information exists, assigned first (including section 1915(c) waiver programs, section 1915(i) HCBS state plan option, section 1915(j) self-directed PAS option, section 1915(k) Community First Choice, Money Follows the Person [MFP] demonstration, and PACE), followed by state plan services. State plan benefits refer to section 1905(a) state plan services. MFP demonstration services are included as an individual category in accompanying table output, but they are not included in the aggregate calculations of total HCBS or total LTSS expenditures or users in this brief because they are not part of section 9817 of the ARP.

[9] LTSS expenditure reports for prior years are available at https://www.medicaid.gov/medicaid/long-term-services-supports/reports-evaluations/index.html.

hospital (DSH) payments.[10, 11]

National Trends in Medicaid LTSS User and Expenditure Rebalancing Ratios

Total LTSS users. Nationally, the number of Medicaid LTSS users increased from 8.7 million users in 2021[12] to 9.1 million users in 2022. The number of HCBS users increased from 7.5 million in 2021 to 7.8 million in 2022. The number of institutional service users in 2022 (1.5 million) was about the same as in 2021. These two groups are not mutually exclusive, and a small proportion (0.3 million people) used both HCBS and institutional services in 2022.

Total LTSS expenditures. Total Medicaid LTSS and HCBS spending rose between 2021 and 2022. National Medicaid LTSS expenditures totaled $181.9 billion in 2021, with HCBS accounting for $115.0 billion and institutional services accounting for $66.9 billion. In 2022, national Medicaid LTSS expenditures totaled $200.4 billion, with HCBS accounting for $129.4 billion and institutional services accounting for $71.0 billion.

The average LTSS expenditure per LTSS user in 2022 was $22,109, compared to $18,969 in 2021. People who received institutional services continued to have much higher average expenditures ($48,143 per user) than people who received HCBS ($16,491 per user).

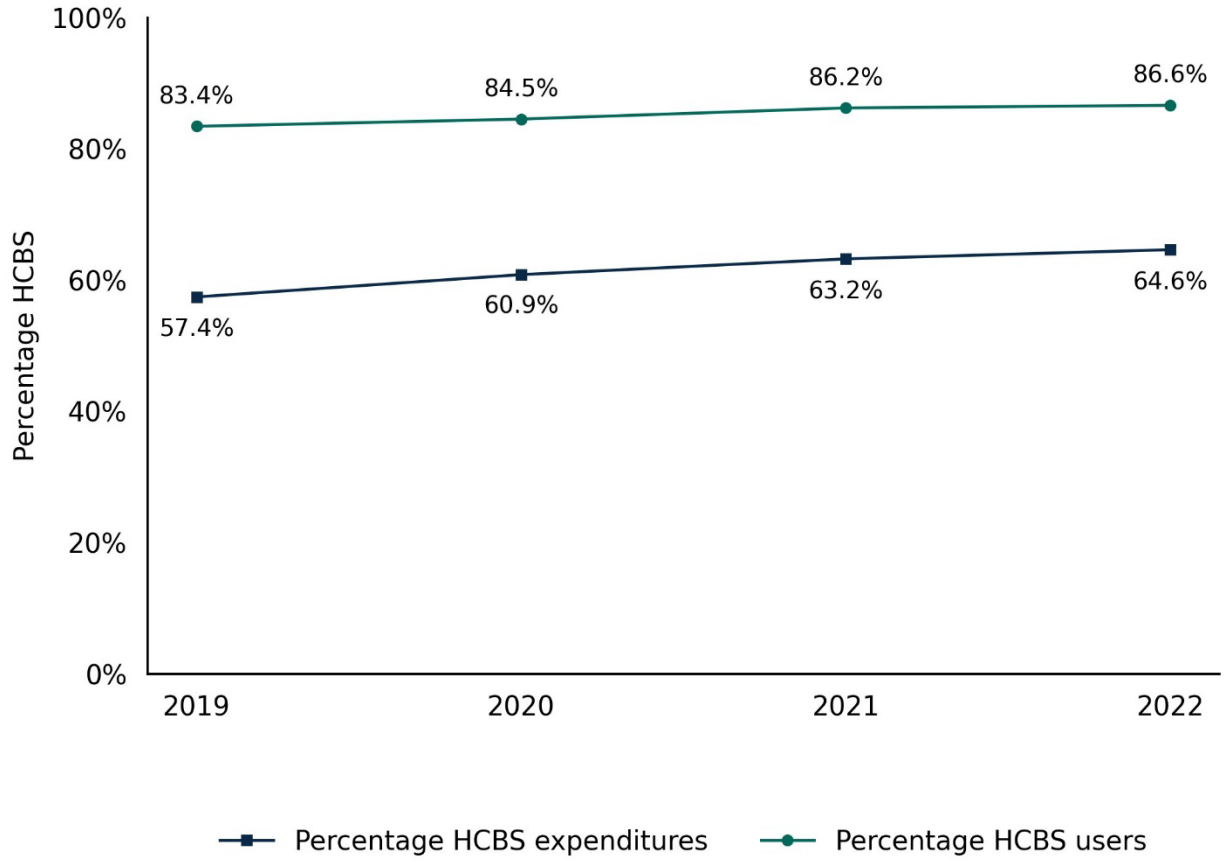
Recent LTSS user and expenditure rebalancing ratios. Both the LTSS user and expenditure rebalancing ratios increased between 2019 and 2022 (Figure 1). From 2021 to 2022, HCBS users as a percentage of total Medicaid LTSS users grew from 86.2 to 86.6 percent. Similarly, HCBS expenditures as a percentage of total Medicaid LTSS expenditures rose from 63.2 to 64.6 percent during those years.

[10] Data for mental health facilities included institutions for mental disease (IMDs) for people ages 65 and older and inpatient psychiatric facilities for people younger than 21. In addition, data on mental health facilities may have included services furnished in accordance with section 1915(l) of the Act - services provided to Medicaid beneficiaries aged 21 through 64 who have at least one substance use disorder diagnosis and reside in an eligible IMD. Some states cover services for adults ages 21 to 64 receiving inpatient treatment in IMDs through section 1115 demonstration authority or as an "in lieu of service or setting" (ILOS) under managed care in accordance with 42 CFR 438.3(e)(2) and 438.6(e); however, we could not ensure this group was included in the mental health facilities category because there was no recommended (tested) method of reliably identifying this population in the TAF.

[11] As required by federal law, state Medicaid agencies distribute DSH payments to institutions that serve a large number of Medicaid beneficiaries and people without insurance to support the institutions' financial stability. These direct provider payments can be viewed as part of a state's overhead cost for providing institutional LTSS to people with low resources.

[12] Due to concerns about the quality of their LTSS data in TAF, Alabama was excluded from all user and expenditure measures for 2021. The 2022 analysis includes Alabama LTSS data in national user and expenditure measures. The exclusion of Alabama for the 2021 measures had a minimal impact on national-level trends for users, expenditures, and user and expenditure rebalancing ratios.

Figure 1. National user and expenditure rebalancing ratios for Medicaid LTSS, 2019–2022



Source: Mathematica's analysis of the 2022 TAF Release 1. We obtained data for 2019-2021 from Wysocki, Andrea, Caitlin Murray, Aparna Kachalia, Alexandra Carpenter, and Cara Stepanczuk, "Trends in the Use of and Spending for Home and Community-Based Services as a Share of Total LTSS Use and Spending in Medicaid, 2019–2021." Mathematica, July 24, 2024.

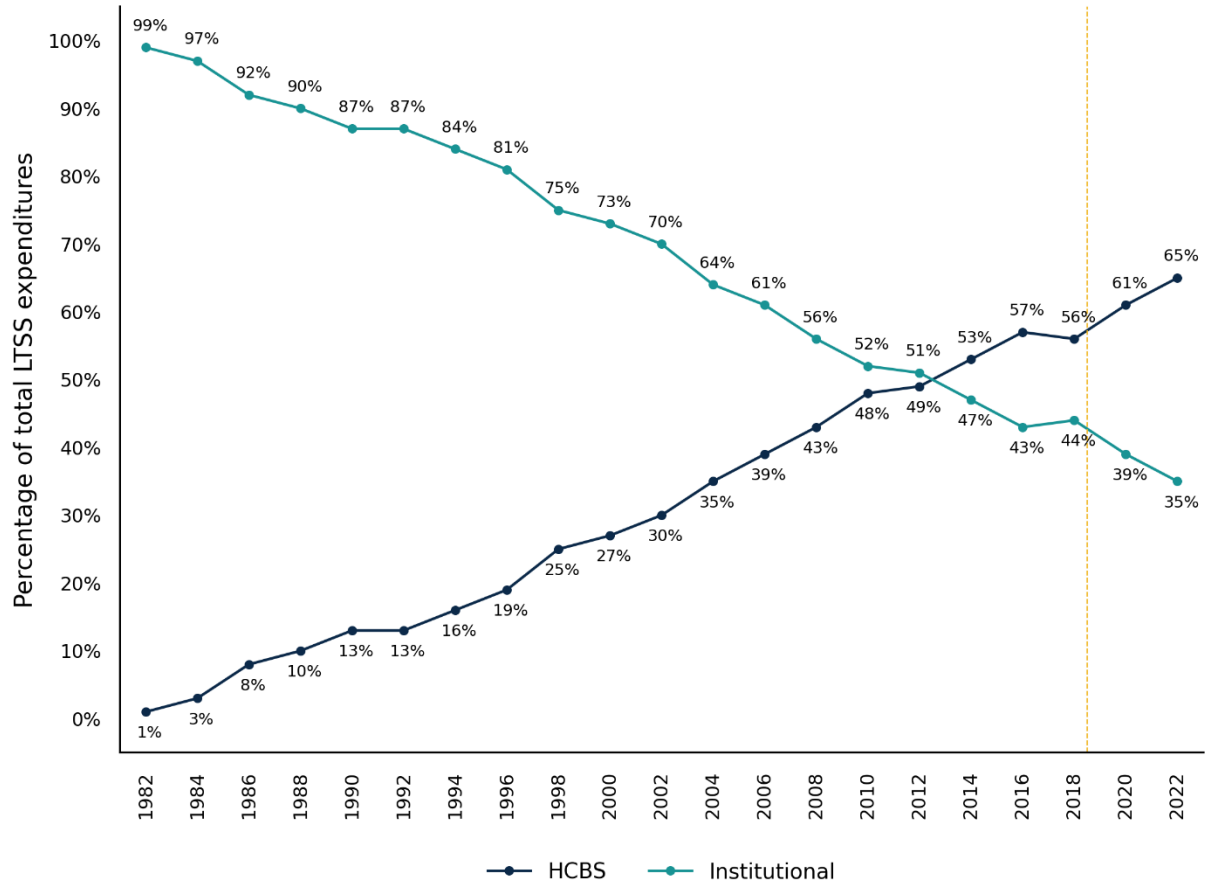
Note: The LTSS user rebalancing ratio is the total unduplicated number of HCBS users as a percentage of the total unduplicated number of LTSS users. The LTSS expenditure rebalancing ratio is calculated as the total HCBS expenditures as a percentage of total LTSS expenditures. Due to data quality concerns, national user and expenditure rebalancing ratio calculations for 2021 exclude Alabama's data.

HCBS = home and community-based services; LTSS = long-term services and supports; TAF = Transformed Medicaid Statistical Information System Analytic File.

Historical LTSS expenditure rebalancing ratios. The proportion of total Medicaid LTSS expenditures spent on HCBS has steadily increased over the last three decades, from 1.1 percent in 1981 (not shown) to 64.6 percent in 2022 (Figure 2).[13] Nationally, HCBS expenditures surpassed 50 percent of Medicaid LTSS expenditures in 2013 and have continued to account for the majority of Medicaid LTSS expenditures since. Growth in the share of Medicaid LTSS expenditures spent on HCBS has varied over time, but on average it has grown 1.5 percentage points each year between 1981 and 2022.

[13] Due to limitations with the data sources used to produce the Medicaid LTSS expenditure reports, we do not have similar historical LTSS user rebalancing ratios. LTSS user rebalancing ratios for 2010 through 2013, calculated using Medicaid Analytical eXtract (MAX) and Alpha-MAX data, and for 2019 through 2022, calculated using TAF data, are available at https://www.medicaid.gov/medicaid/long-term-services-supports/reports-evaluations/index.html.

Figure 2. National Medicaid HCBS and institutional LTSS expenditures as a percentage of total Medicaid LTSS expenditures, 1981–2022



Source: Mathematica's analysis of the 2022 TAF Release 1. We obtained data for CY 2019-2021 from Wysocki, Andrea, Caitlin Murray, Aparna Kachalia, Alexandra Carpenter, and Cara Stepanczuk, "Trends in the Use of and Spending for Home and Community-Based Services as a Share of Total LTSS Use and Spending in Medicaid, 2019–2021." Mathematica, July 24, 2024. We obtained data for FY 2017 and 2018 from Murray, Caitlin, Alena Tourtellotte, Debra Lipson, and Andrea Wysocki, "Medicaid Long Term Services and Supports Annual Expenditures Report: Federal Fiscal Year 2019." Mathematica, December 9, 2021. We obtained data for FY 2015 and 2016 from an unpublished version of the FY 2017 LTSS Expenditure Report. We obtained data for FY 1981 to 2014 from Wenzlow, Audra, Steve Eiken, and Kate Sredl, "Improving the Balance: The Evolution of Medicaid Expenditures for Long-Term Services and Supports (LTSS), FY 1981–2014." Truven Health Analytics, June 3, 2016.

Note: The LTSS expenditure rebalancing ratio is calculated as the total HCBS expenditures as a percentage of total LTSS expenditures. The dotted yellow line indicates that the data source changed between 2018 and 2019. LTSS expenditure data for FY 1981 through 2018 come primarily from Medicaid CMS-64 expenditure reports and LTSS expenditure data for CY 2019 through 2022 come solely from TAF. Further details about the data limitations, methods, and the change in data sources are available at https://www.medicaid.gov/medicaid/long-term-services-supports/reports-evaluations/index.html.

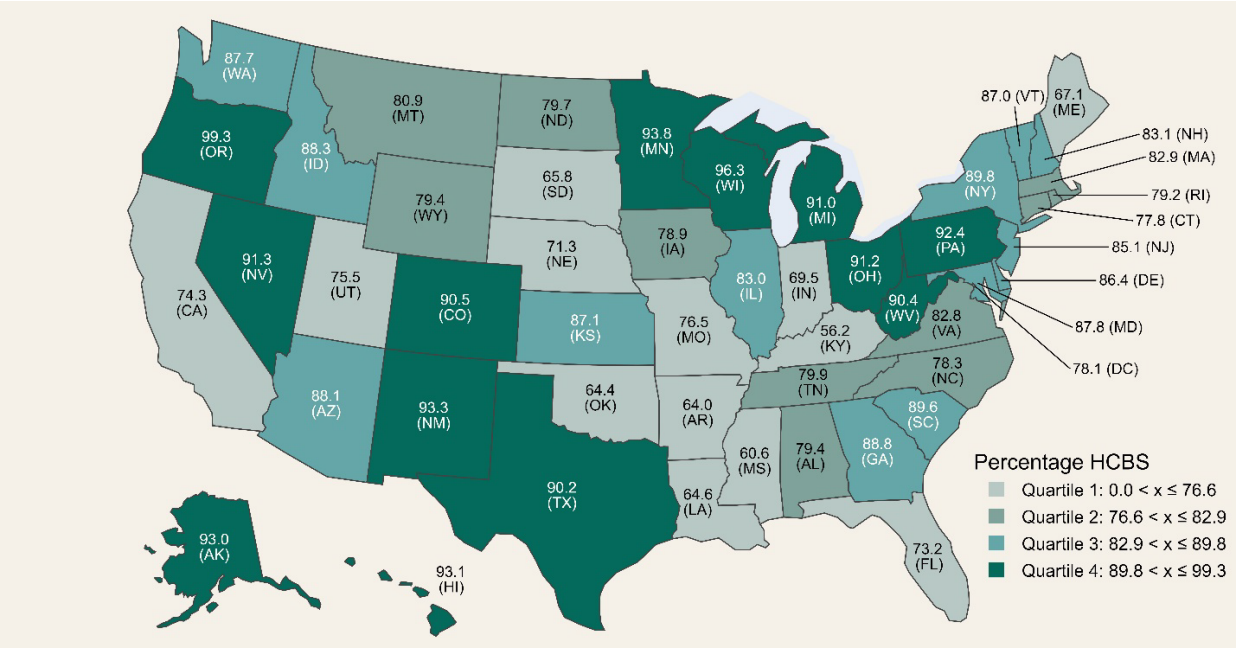
CMS = Centers for Medicare & Medicaid Services; CY = calendar year; FY = fiscal year; HCBS = home and community-based services; LTSS = long-term services and supports; TAF = Transformed Medicaid Statistical Information System Analytic File.

State Trends in Medicaid LTSS User and Expenditure Rebalancing Ratios

LTSS user rebalancing ratio by state. In 2022, the user rebalancing ratio ranged from 56.2 in Kentucky to 99.3 percent in Oregon (Figure 3). In addition to Oregon, the states in the quartile with the highest percentage of HCBS use among LTSS users in 2022 were Wisconsin (96.3 percent), Minnesota (93.8 percent), New Mexico (93.3 percent), Hawaii (93.1 percent), Alaska (93.0 percent), Pennsylvania (92.4 percent), Nevada (91.3 percent), Ohio (91.2 percent), Michigan (91.0 percent), Colorado (90.5 percent), West Virginia (90.4 percent), and Texas (90.2 percent). In addition to Kentucky, the states in the bottom quartile with the lowest percentage of HCBS users among total LTSS users in 2022 were Mississippi (60.6 percent), Arkansas (64.0 percent), Oklahoma (64.4 percent), Louisiana (64.6 percent), South Dakota (65.8 percent), Maine (67.1 percent), Indiana (69.5 percent), Nebraska (71.3 percent), Florida (73.2 percent), California (74.3 percent), Utah (75.5 percent), and Missouri (76.5 percent).

Most states (38) had similar user rebalancing ratios in 2022 and 2021. States with the largest increases in their ratios during those years were California (68.9 to 74.3 percent) and Utah (70.7 to 75.5 percent). States with the largest decreases in their ratios during those years were Mississippi (72.0 to 60.6 percent) and Rhode Island (84.3 to 79.2 percent).

Figure 3. State Medicaid HCBS users as a percentage of total Medicaid LTSS users, 2022



Source: Mathematica's analysis of the 2022 TAF Release 1.

Note: The LTSS user rebalancing ratio is the total unduplicated number of HCBS users as a percentage of the total unduplicated number of LTSS users. We rounded the state percentages to one decimal place in the figure, but we grouped states into quartiles based on the unrounded values.

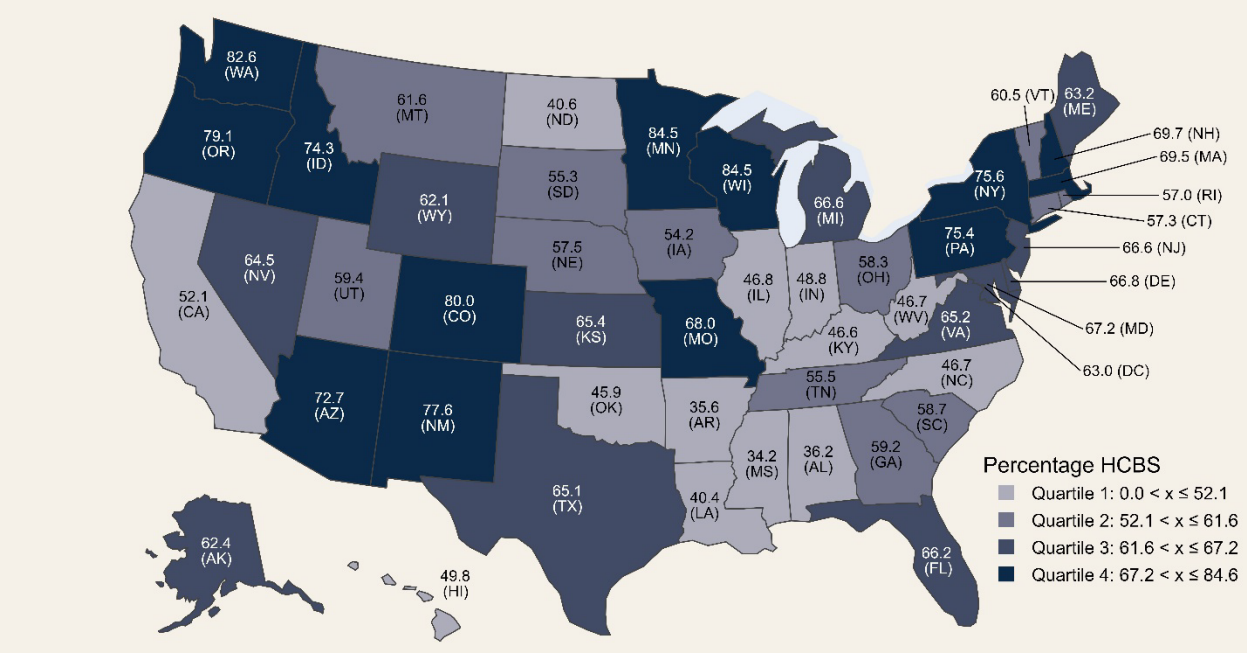
HCBS = home and community-based services; LTSS = long-term services and supports; TAF = Transformed Medicaid Statistical Information System Analytic File.

LTSS expenditure rebalancing ratio by state. In 2022, expenditure rebalancing ratios showed greater variation across states than user rebalancing ratios. The expenditure rebalancing measure ranged from

34.2 percent in Mississippi to 84.5 percent in Minnesota (Figure 4). In addition to Minnesota, the states in the top quartile with the highest percentage of HCBS expenditures out of total LTSS expenditures in 2022 were Wisconsin (84.5 percent), Washington (82.6 percent), Colorado (80.0 percent), Oregon (79.1 percent), New Mexico (77.6 percent), New York (75.6 percent), Pennsylvania (75.4 percent), Idaho (74.3 percent), Arizona (72.7 percent), New Hampshire (69.7 percent), Massachusetts (69.5 percent), and Missouri (68.0 percent). In addition to Mississippi, the states in the bottom quartile with the lowest percentage of HCBS expenditures out of total LTSS expenditures in 2022 were Arkansas (35.6 percent), Alabama (36.2 percent), Louisiana (40.4 percent), North Dakota (40.6 percent), Oklahoma (45.9 percent), Kentucky (46.6 percent), North Carolina (46.7 percent), West Virginia (46.7 percent), Illinois (46.8 percent), Indiana (48.8 percent), Hawaii (49.8 percent), and California (52.1 percent).

Thirty-three states had similar expenditure rebalancing ratios in 2021 and 2022. States with the largest increases in their expenditure rebalancing ratios during those years were Illinois (27.9 to 46.8 percent), New Jersey (61.8 to 66.6 percent), and Vermont (56.3 to 60.5 percent). States with the largest decreases in their expenditure rebalancing ratios during that time were Wisconsin (93.5 to 84.5 percent) and Arkansas (42.3 to 35.6 percent).

Figure 4. State Medicaid HCBS expenditures as a percentage of total Medicaid LTSS expenditures, 2022



Source: Mathematica's analysis of the 2022 TAF Release 1.

Note: The LTSS expenditure rebalancing ratio is calculated as the total HCBS expenditures as a percentage of total LTSS expenditures. We rounded the state percentages to one decimal place in the figure, but we grouped states into quartiles based on the unrounded values.

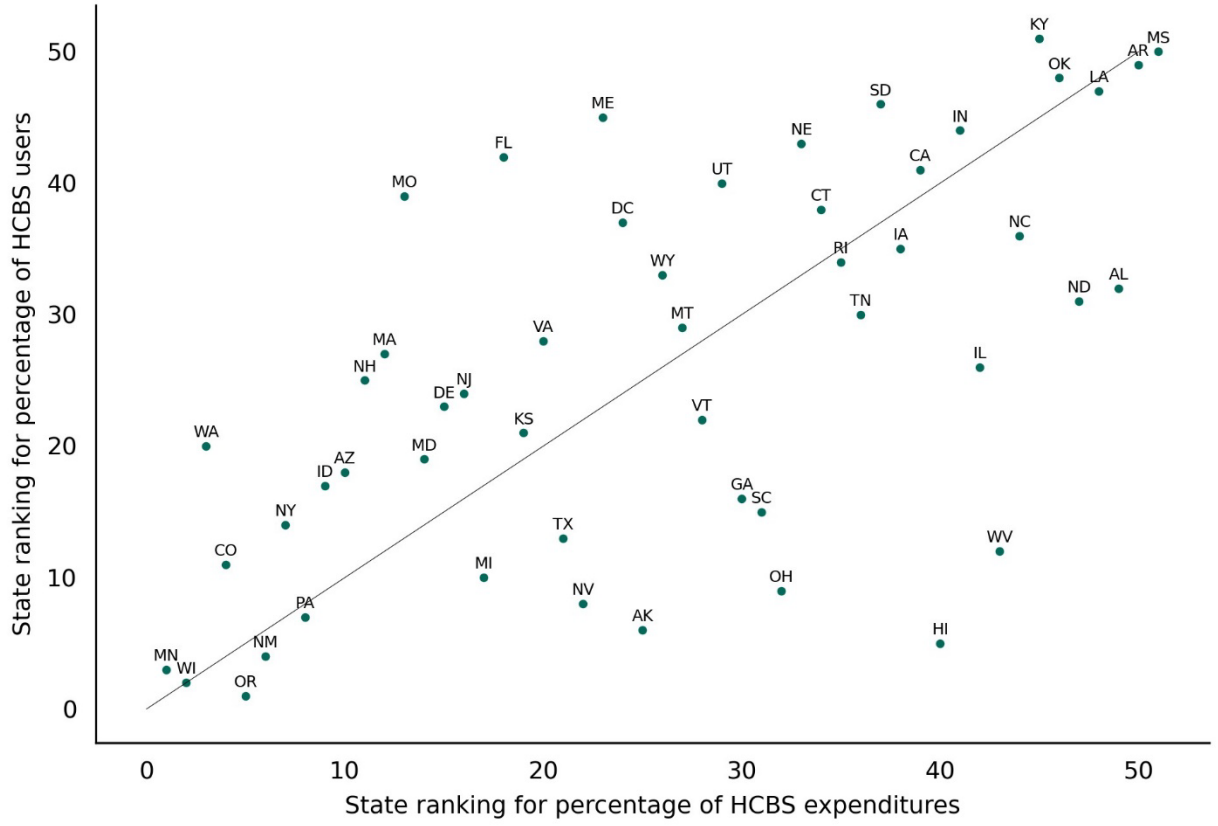
HCBS = home and community-based services; LTSS = long-term services and supports; TAF = Transformed Medicaid Statistical Information System Analytic File.

Comparison of states' LTSS user and expenditure rebalancing ratios. Several states had low values for both user and expenditure rebalancing ratios (Mississippi, Arkansas, Louisiana, Oklahoma, and Kentucky), whereas other states had high values for both rebalancing ratios (Wisconsin, Minnesota, Oregon, New

Mexico, and Pennsylvania) (Figure 5). However, states with the highest user rebalancing ratios were not always the states with the highest expenditure rebalancing ratios, and vice versa. For example, Hawaii and West Virginia had low values for the expenditure rebalancing ratio and high values for the user rebalancing ratio, and Florida, Maine, and Missouri had moderate values for the expenditure rebalancing ratio despite low values for the user rebalancing ratio. The expenditure and user rebalancing rankings could differ for many reasons, such as different drivers of costs across states and TAF data quality issues.

Fourteen states had a change of less than 1 percentage point in their user and expenditure rebalancing ratios between 2021 and 2022, suggesting stability in their user and expenditure ratios. Among the 37 states in which either the user or expenditure rebalancing ratio changed by more than 1 percentage point during those years, 15 states had increases in both measures, four states had decreases in both measures, and 18 states had user and expenditure rebalancing measures that moved in different directions (one positive, one negative). The relative magnitude of the changes over time was not always congruent; in most cases, the expenditure rebalancing ratio changed by more than the user rebalancing ratio did.

Figure 5. State rankings for the LTSS user and expenditure rebalancing ratios, 2022



Source: Mathematica's analysis of the 2022 TAF Release 1.

Note: This figure compares the ranking of states in the LTSS user and expenditure rebalancing ratios. For each measure, the highest rank is 1 and the lowest rank is 51. States with higher ranks reflect a higher percentage of HCBS users or expenditures, which suggests more progress toward LTSS rebalancing. The diagonal line represents the point at which the ranking in the user rebalancing ratio equals the ranking in the expenditure rebalancing ratio. States closer to the diagonal line have more similar rankings in their LTSS rebalancing ratios, and states further from the diagonal line have more dissimilar rankings between the two measures. States in the lower left quadrant of the figure have high rankings on both LTSS rebalancing ratios, whereas states in the upper right quadrant of the figure have low rankings on both ratios.

HCBS = home and community-based services; LTSS = long-term services and supports; TAF = Transformed Medicaid Statistical Information System Analytic File.

National User and Expenditure Rebalancing Ratios for Medicaid LTSS by Demographic Characteristic

In addition to overall rebalancing ratios, it is important to assess rebalancing ratios for LTSS users with different demographic characteristics and to track progress for those users. We examined the expenditure and user rebalancing ratios by age, sex, dual-eligibility status, urban or rural residence, primary spoken language, and race and ethnicity.

LTSS user rebalancing ratio by demographic characteristic. In 2022, the user rebalancing ratio ranged from 64.9 percent for those ages 65 and older to 97.0 percent for those ages 0 to 20 (Table 1). In addition to people ages 0 to 20, LTSS groups with the highest user rebalancing ratios (above 90 percent) were people ages 21 to 64 (92.4 percent), those who were not dually eligible (92.9 percent), those who primarily spoke Spanish (94.1 percent) or a language other than English or Spanish (92.0 percent), those of any race who identified as Hispanic (93.2), those who identified as multiracial, non-Hispanic (92.7 percent), and those who identified as Asian and Pacific Islander, non-Hispanic (92.5 percent). Along with users ages 65 and older, people with full- or partial-benefit dual eligibility for most of the year had a low user rebalancing ratio (75.6 percent and 76.4 percent, respectively).

LTSS groups with the largest increase in user rebalancing ratios between 2021 and 2022 included those ages 21 to 64 (increasing from 91.8 to 92.4 percent), those who were not dually eligible for most of the year (92.3 to 92.9 percent), those who primarily spoke Spanish (93.5 to 94.1 percent), those who identified as Asian and Pacific Islander, non-Hispanic (91.6 to 92.5 percent), and those of any race who identified as Hispanic (92.4 to 93.2 percent). The only LTSS groups with a decrease in the user rebalancing ratio from 2021 to 2022 were those with full- or partial-benefit dual eligibility for most of the year and those who identified as Black, non-Hispanic.

LTSS expenditure rebalancing ratio by demographic characteristic. In 2022, the expenditure rebalancing ratio ranged from 47.0 percent for people ages 65 and older to 83.6 percent for those who primarily spoke a language other than English or Spanish (Table 1). Besides those who primarily spoke a language other than English or Spanish, LTSS groups with the highest expenditure rebalancing ratios were those ages 0 to 20 (82.9 percent), those who primarily spoke Spanish (79.9 percent), and those who identified as Asian and Pacific Islander, non-Hispanic (80.8 percent). In addition to those 65 and older, LTSS groups with the lowest expenditure rebalancing ratios were people living in a rural area (53.9 percent), those with full- or partial-benefit dual eligibility for most of the year (59.7 and 58.2 percent, respectively), and those who identified as White, non-Hispanic (60.2 percent).

LTSS groups with the largest change in the expenditure rebalancing ratio between 2021 and 2022 were those ages 21 to 64 (increasing from 74.5 to 76.3 percent), those living in an urban area (increasing from 65.4 to 67 percent), those who identified as Asian and Pacific Islander, non-Hispanic (increasing from 78.4 to 80.8 percent), and those of any race who identified as Hispanic (increasing from 73.7 to 75.3 percent). The only LTSS group with a decrease in the expenditure rebalancing ratio from 2021 to 2022 was people with partial-benefit dual eligibility for most of the year (decreasing from 62.8 to 58.2 percent).

Comparison across demographic characteristics for the LTSS user and expenditure rebalancing ratios. The patterns for the individual LTSS groups were similar for both the LTSS user and expenditure rebalancing ratios; that is, the LTSS groups with the highest value for one ratio also had the highest value for the other ratio. For example, people who were eligible only for Medicaid had a higher value than dually eligible individuals on both ratios in all years. In 2022, both rebalancing ratios varied the most by age group: those ages 0 to 20 had the highest rebalancing ratios and those ages 65 and over had the lowest. There was less variation for other characteristics.

Table 1. LTSS user and expenditure rebalancing ratios by demographic characteristic, 2022

Characteristic	% of LTSS users using HCBS	% of LTSS expenditures for HCBS
Total	**86.6**	**64.6**
Age group[a]		
0–20	97.0	82.9
21–64	92.4	76.3
65 and older	64.9	47.0
Sex[a]		
Female	85.5	62.0
Male	87.8	67.6
Dual-eligibility status		
Non-dually eligible	92.9	74.1
Full-benefit dually eligible	75.6	59.7
Partial-benefit dually eligible	76.4	58.2
Rural/urban residence[a]		
Rural	84.1	53.9
Urban	87.3	67.0
Primary language		
English	86.0	63.4
Spanish	94.1	79.9
Any other language	92.0	83.6
Race and ethnicity[a]		
AIAN, non-Hispanic	88.8	67.6
API, non-Hispanic	92.5	80.8
Black, non-Hispanic	88.0	65.4
Hispanic, any race	93.2	75.3
Multiracial, non-Hispanic	92.7	69.2
White, non-Hispanic	83.0	60.2

Source: Mathematica's analysis of the 2022 TAF Release 1.

Note: The LTSS user rebalancing ratio is the total unduplicated number of HCBS users as a percentage of the total unduplicated number of LTSS users. The LTSS expenditure rebalancing ratio is calculated as the total HCBS expenditures as a percentage of total LTSS expenditures.

[a] Unknown values for age group, sex, urban/rural residence, and race and ethnicity are not shown because their small sample sizes make their rebalancing ratios unreliable. Primary spoken language and dual-eligibility status do not have any unknown values.

AIAN = American Indian and Alaska Native; API = Asian and Pacific Islander; HCBS = home and community-based services; LTSS = long-term services and supports; NA = not available; TAF = Transformed Medicaid Statistical Information System Analytic File.

National User and Expenditure Rebalancing Ratios for Medicaid LTSS among LTSS Subpopulations

Starting with the 2022 TAF data, we developed TAF-based definitions[14] to approximate the LTSS subpopulations that appeared in historical LTSS expenditure reports: (1) older adults (ages 65 and older); (2) people under age 65 with potentially disabling conditions[15]; (3) people with ASD/ID/DD; (4) people with MH/SUD; and (5) other people who use LTSS. We use characteristics including age, section 1915(c) waiver program enrollment, chronic condition indicators, and service use to classify LTSS users in our sample into the first four subpopulations. These four subpopulations are not mutually exclusive, as we allow LTSS users to be classified in all subpopulations for which they qualify. The fifth LTSS subpopulation—other people who use LTSS—comprises LTSS users in our sample who do not meet the criteria of any of the other four subpopulations.

LTSS user rebalancing ratio by LTSS subpopulation. In 2022, people who were not part of any of the four main LTSS subpopulations accounted for the highest user rebalancing ratio (98.7 percent), and older adults accounted for the lowest user rebalancing ratio (64.9 percent). People with ASD/ID/DD had the second-highest user rebalancing ratio (94.9 percent), followed by people under age 65 with potentially disabling conditions (83.5 percent), and people with MH/SUD (82.5 percent).

Table 2. LTSS user and expenditure rebalancing ratios by LTSS subpopulation, 2022

Characteristic	% of LTSS users using HCBS	% of LTSS expenditures for HCBS
Total	**86.6**	**64.6**
LTSS subpopulation		
Older adults (ages 65 and older)	64.9	47.0
People under age 65 with potentially disabling conditions	83.5	67.0
People with ASD/ID/DD	94.9	82.9
People with MH/SUD	82.5	55.6
Other people who use LTSS[a]	98.7	87.4

Source: Mathematica's analysis of the 2022 TAF Release 1.

Note: The LTSS user rebalancing ratio is the total unduplicated number of HCBS users as a percentage of the total unduplicated number of LTSS users. The LTSS expenditure rebalancing ratio is calculated as the total HCBS expenditures as a percentage of total LTSS expenditures.

[a] This subpopulation includes people who were not part of any of the four main LTSS subpopulations.

ASD = autism spectrum disorder; DD = developmental disabilities; HCBS = home and community-based services; ID = intellectual disabilities; LTSS = long-term services and supports; MH = mental health conditions; SUD = substance use disorders; TAF = Transformed Medicaid Statistical Information System Analytic File.

[14] For more information about the definitions of each LTSS subpopulation, refer to the accompanying document titled "Methodology for Identifying Medicaid Long-Term Services and Supports Expenditures and Users, 2022."

[15] Historical LTSS expenditure reports included a subpopulation that combined older adults and people with physical or other disabilities, for a total of four subpopulations. Based on feedback from interested parties for the new TAF-based definitions, we created one subpopulation for older adults (ages 65 and older) and one subpopulation for people under age 65 with potentially disabling conditions, resulting in five subpopulations.

LTSS expenditure rebalancing ratio by LTSS subpopulation. In 2022, people who were not part of any of the four main LTSS subpopulations accounted for the highest expenditure rebalancing ratio (87.4 percent), and older adults accounted for the lowest expenditure rebalancing ratio (47 percent). People with ASD/ID/DD had the second-highest expenditure rebalancing ratio (82.9 percent), followed by people under age 65 with potentially disabling conditions (67 percent), and people with MH/SUD (55.6 percent).

Comparison across LTSS subpopulations for the LTSS user and expenditure rebalancing ratios. The LTSS subpopulations had consistent patterns across both the LTSS user and expenditure rebalancing ratios. People who were not part of any of the four main LTSS subpopulations and people with ASD/ID/DD had higher rebalancing ratios compared to the other subpopulations we analyzed. Older adults, people with MH/SUD, and people under age 65 with potentially disabling conditions had relatively lower rebalancing ratios.

Conclusions

Both the share of total Medicaid LTSS users receiving HCBS and the share of total Medicaid LTSS spending devoted to HCBS grew modestly from 2021 to 2022, reaching all-time highs in 2022, as states continued to focus on LTSS rebalancing initiatives to serve more people in home and community-based settings and reduce use of institutional services. Most states had similar user rebalancing ratios and slightly higher expenditure rebalancing ratios in 2022 compared to 2021. Expenditure rebalancing ratios showed greater variation across states than user rebalancing ratios. Among users' demographic characteristics, both rebalancing ratios varied the most by age group: people ages 0 to 20 had the highest rebalancing ratios and those 65 and over had the lowest. There was less variation for other characteristics. Among the LTSS subpopulations, people who were not part of one of the four main subpopulations and people with ASD/ID/DD had the highest user and expenditure rebalancing ratios, whereas older adults and people with MH/SUD had the lowest user and expenditure rebalancing ratios.

Methods

This brief contains a snapshot of LTSS user and expenditure output, focusing on trends in HCBS use and expenditures as a percentage of total Medicaid LTSS use and expenditures. All LTSS user and expenditure calculations are based on TAF data. For the analyses, institutional LTSS include nursing facilities, intermediate care facilities for individuals with intellectual disabilities, and mental health facilities. Hospitals are not included in the definition of institutional LTSS, although these are Medicaid facilities. For expenditures only, institutional LTSS also include DSH payments to mental health facilities. HCBS include section 1915(c) waiver programs, the section 1915(i) HCBS state plan option, the section 1915(j) self-directed personal assistance services option, section 1915(k) Community First Choice, the PACE, state plan personal care services, state plan home health services, state plan rehabilitative services, state plan case management services, and state plan private duty nursing. We reported Money Follows the Person demonstration services as an individual category in accompanying table output but did not include these services in the aggregate calculations of total HCBS or total LTSS expenditures or users. Except for PACE expenditures and DSH payments to mental health facilities, LTSS expenditures include fee-for-service (FFS) expenditures, managed care plan payments to providers for managed care services, and supplemental wraparound payments that are associated with a specific beneficiary above the negotiated per-service rate (these add-on payments are distinct from supplemental payments made under the Upper Payment Limit (UPL) demonstration). We assigned these expenditures to a specific LTSS category based on relevant TAF claim codes, including type of service, benefit type, program type, and waiver type. For PACE expenditures, we used capitation payment records and service-tracking claims. For DSH payments to mental health facilities, we used service-tracking claims and supplemental payment records (to account for the rare case that DSH payments appear there);. Except for PACE, we identified LTSS users for each LTSS category using FFS claims and managed care encounters, based on the same codes used to identify claims for the expenditure calculations. For PACE user counts, we identified enrollees based on enrollment records. Except for dual-eligibility status, which is based on the majority of enrolled months, we based the characteristics of enrollees on the most recent valid values in the calendar year.

In addition, refer to the following resources:

- More information on data and methods can be found in the accompanying document titled "Methodology for Identifying Medicaid Long-Term Services and Supports Expenditures and Users, 2022."
- State data and anomaly notes are included in the accompanying document titled "Data Notes for Medicaid TAF Long-Term Services and Supports Annual Expenditures and Users, 2022."
- Data tables for 2022 are available at https://www.medicaid.gov/medicaid/long-term-services-supports/reports-evaluations/index.html.

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