

## **CMS Releases Annual Medicaid Home and Community-Based Services Data**

December 5, 2024

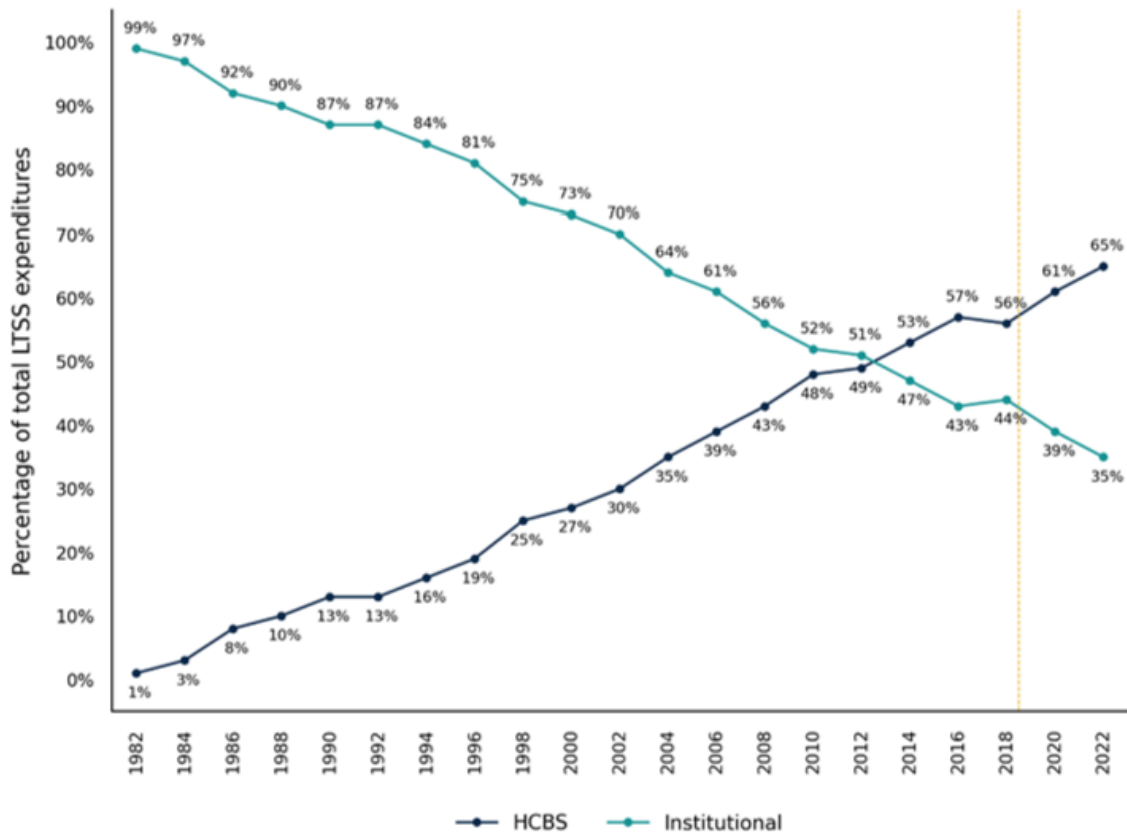
On Thursday, November 21, 2024, the Centers for Medicare & Medicaid Services (CMS) released its annual Medicaid long-term services and supports (LTSS) report. This annual update is the most comprehensive national information available regarding Medicaid LTSS and home and community-based services (HCBS) enrollment, utilization, and expenditures. The data includes year-over-year national trends as well as state-specific breakouts of the measures.

Some notable takeaways include:

- HCBS continues to grow while institutional care remains largely flat:
  - The number of Medicaid LTSS users increased by about 400,000 individuals from 8.7 million to 9.1 million between 2021-2022.
  - HCBS enrollment grew from 7.5 million in 2021 to 7.8 million in 2022, whereas institutional enrollment was approximately level between 2021-2022 at 1.5 million.
  - Around 300,000 individuals used both HCBS and institutional services in 2022.
- Total expenditures also increased from 2021-2022, with HCBS comprising most of the growth:
  - Total Medicaid spending on LTSS grew from \$181.9 billion in 2021 to \$200.4 billion in 2022. In 2021, Medicaid HCBS spending was \$115.0 billion, which grew to \$129.4 billion in 2022. In comparison, in 2021 expenditures on institutional services grew from \$66.9 billion to \$71 billion between 2021-2022.
- Similar to prior data years, older adults had the lowest proportion of expenditures and individuals in HCBS compared to institutional care:
  - 64.9% of older adults received HCBS;
  - HCBS expenditures were 47.0% of total LTSS expenditures for older adult populations.
- Utilization and enrollment vary substantially across the country:
  - In 2022 the proportion of individuals using HCBS compared to institutional care varied from a low of 56.2% in Kentucky to a high of 99.3% percent in Oregon.
  - Expenditures varied from 34.2% spent on HCBS in Mississippi to 84.5% spent in Minnesota, with the higher proportions of spending in institutions reflecting the higher cost of institutional care compared to HCBS.
- Expenditures remain largely concentrated in 1915(c) waivers. The breakout of the \$129.4 billion spent in HCBS in Medicaid during 2022 among programs was:
  - 1915(c) waivers: \$62.4 billion (48.3%).

- 1915(j) self-directed personal assistance: \$14.9 billion (11.5%).
- 1915(i) state plan HCBS: \$13.3 billion (10.3%);
- State plan personal care services: \$11.2 billion (8.6%);
- State plan home health services \$7.8 billion (6.0%)
- State plan rehabilitative services \$6.7 billion (5.2%);
- 1915(k) Community First Choice: \$4.2 billion (3.3%);
- State plan case management services: \$3.6 billion (2.8%);
- PACE: \$3.2 billion (2.5%); and
- State plan private duty nursing services: \$1.9 billion (1.5%).

CMS also provides updated longitudinal data regarding the shifting expenditures from institutions to HCBS:



Importantly, the sharp shift in the trend line for 2020-2022 includes the funding provided through the *American Rescue Plan Act (ARPA)*, which resulted in over \$35 billion total expenditures on HCBS. States have until March 31, 2025 to fully exhaust the ARPA funding so there may be a slight decline in total HCBS expenditures once that funding is fully exhausted – though it may take several

years before it is reflected in the national data. Despite this potential challenge, the Alliance expects that states will continue to support the move to HCBS and away from institutions whenever it is appropriate to the needs and preferences of participants.

The full reports and dataset are available online [HERE](#).