

# Medicaid Long-Term Services and Supports: Current Policy Challenges and Opportunities

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Medicaid Leadership Academy: September 2023

**KFF**

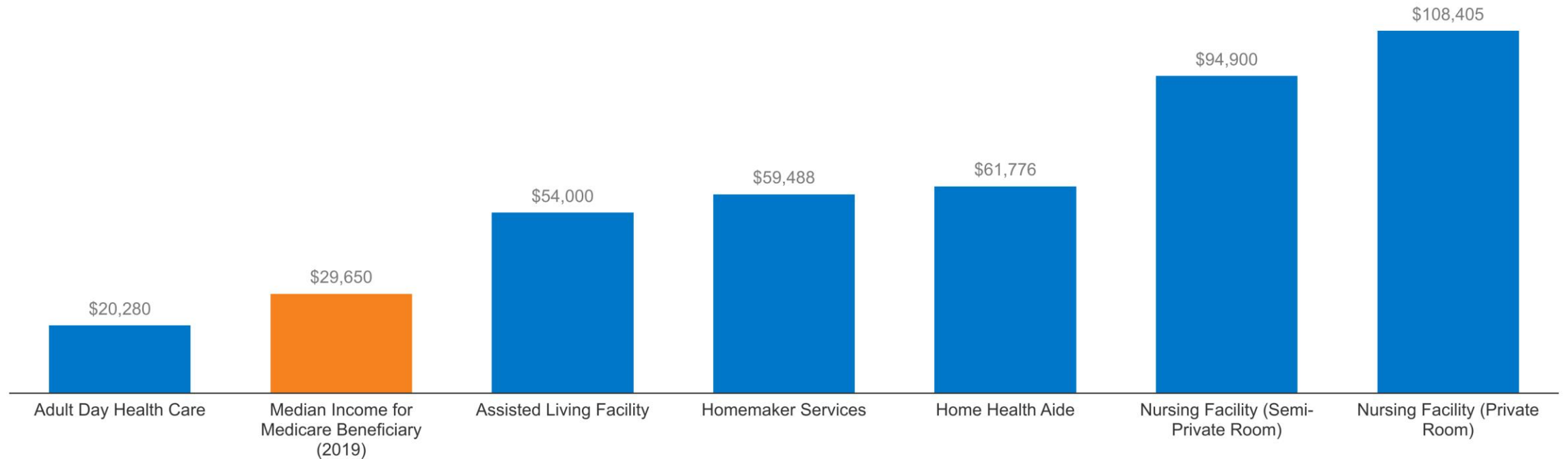
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# What are long-term services and supports (LTSS)?

- Paid and unpaid medical and personal care services that assist with:
  - Activities of daily living (ADLs) such as eating, bathing, and dressing, or
  - Instrumental activities of daily living (IADLs) such as housekeeping, managing medication, and preparing meals.
- People may need them because of aging, chronic illness, or disability.
- May be provided in:
  - Institutional settings such as nursing facilities, or
  - In peoples' homes and in the community (HCBS).

# LTSS are extremely expensive and generally not covered by Medicare.

Figure 1  
Nursing facility costs are higher than those of other services but many people living outside of nursing facilities use multiple services simultaneously. Medicare only covers home health and skilled nursing facility care on a time-limited basis.



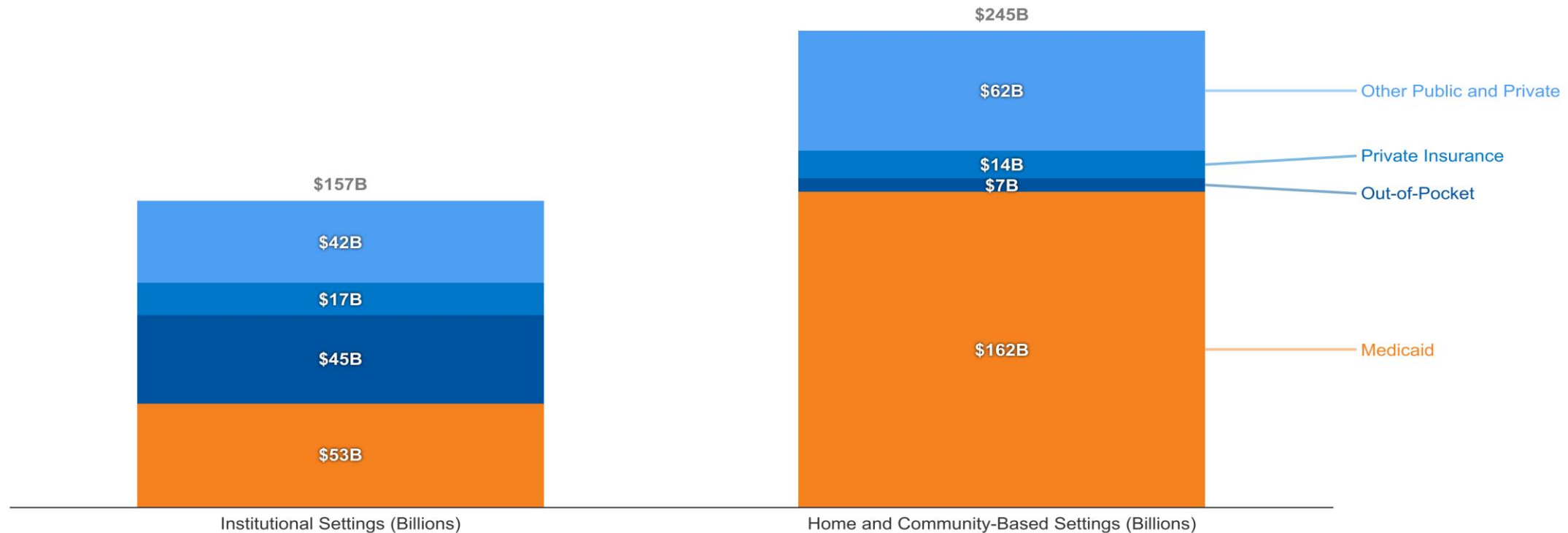
NOTE: Dollar amounts are annual costs for each type of care in 2021.

SOURCE: KFF analysis of Genworth 2021 Cost of Care Survey; KFF, Medicare Beneficiaries' Financial Security Before the Coronavirus Pandemic, Urban Institute / KFF analysis of DYNASIM data, 2019.

# The U.S. spent over \$400 billion on LTSS in 2020, over half of which was from Medicaid.

Figure 2

Medicaid paid \$53 billion on institutional care and \$162 billion on care in home and community settings, over half of all spending on LTSS.



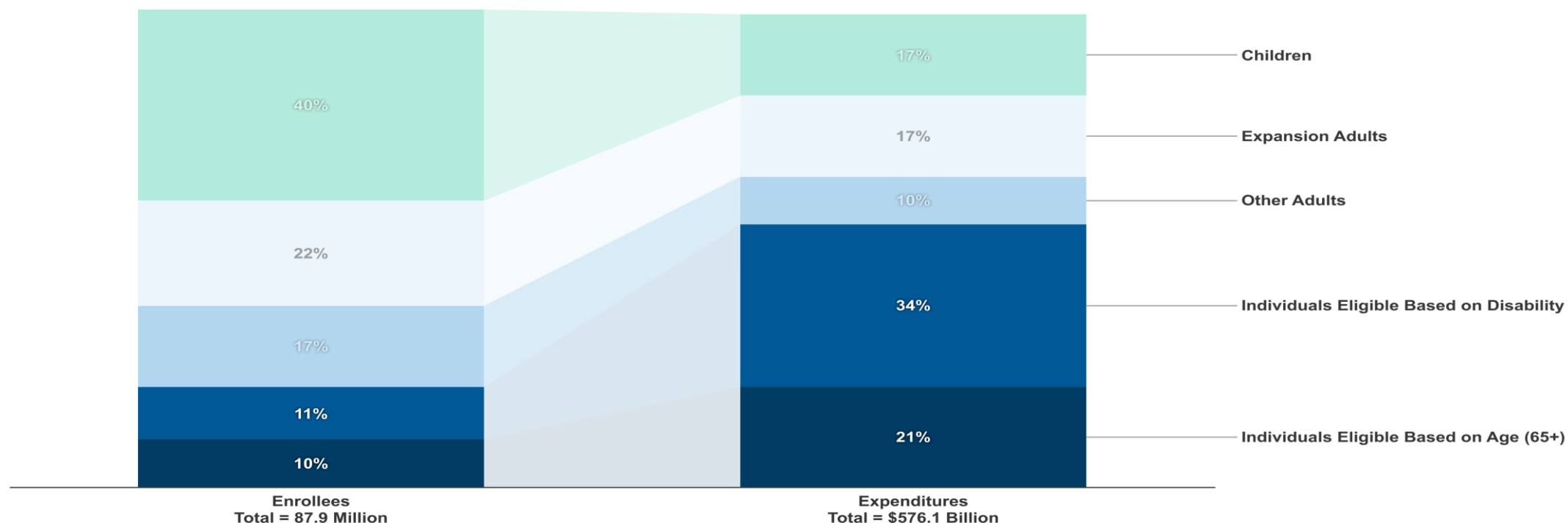
NOTE: Total paid LTSS expenditures include spending on residential care facilities, nursing homes, Medicaid home health services, and home and community-based waiver services but excludes Medicare post-acute care. Other Public and Private includes Children's Health Insurance Program, the Department of Defense, the Veterans Health Administration, worksite health care, other private revenues, Indian Health Services, workers' compensation, general assistance, maternal and child health, vocational rehabilitation, other federal programs, Substance Abuse and Mental Health Services Administration, other state and local programs, and school health.

SOURCE: KFF estimates based on 2020 National Health Expenditure Accounts data from CMS, Office of the Actuary

# Most Medicaid enrollees who use LTSS are eligible on the basis of age or disability.

Figure 3

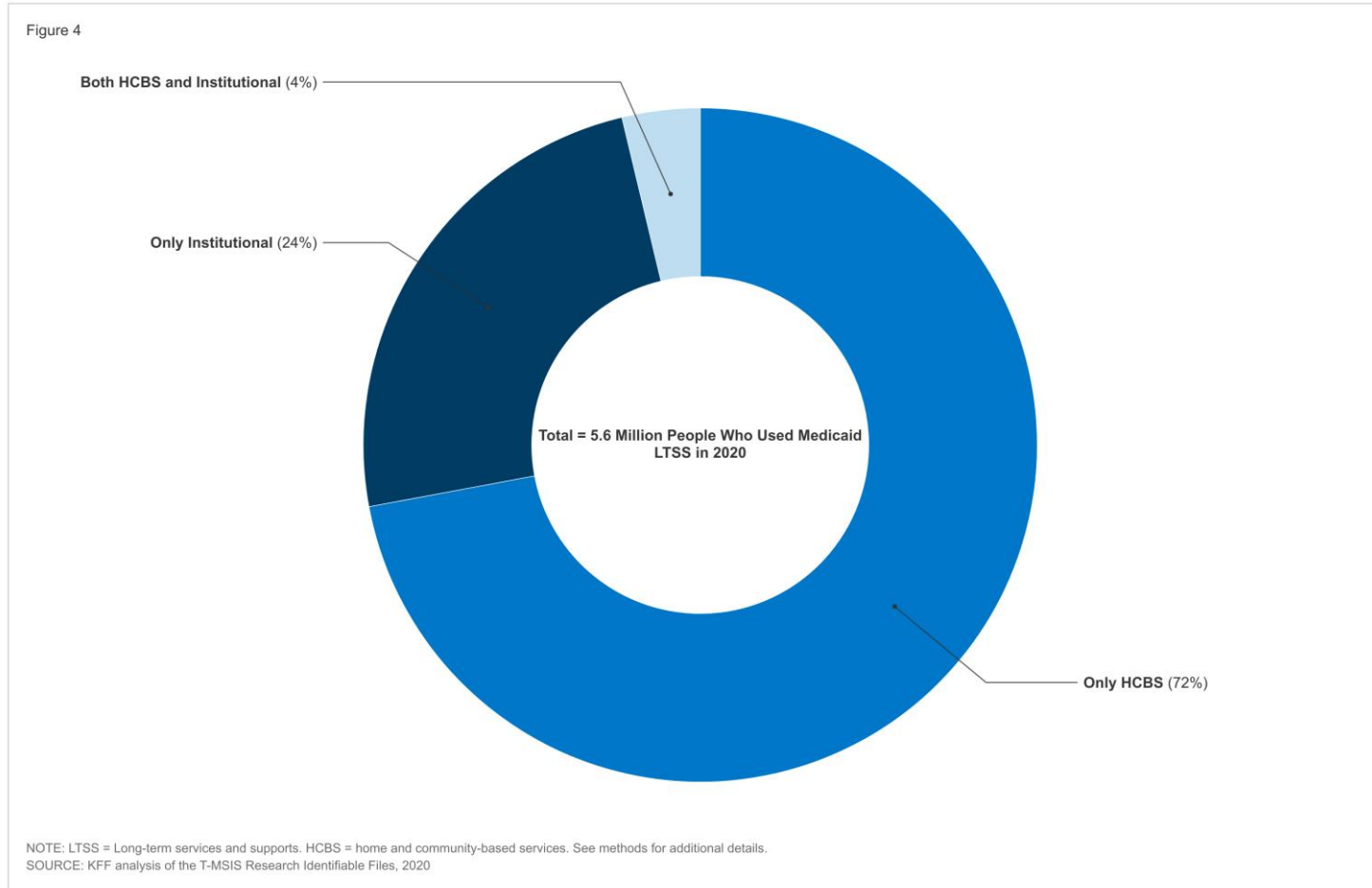
*Adults eligible for Medicaid through age or disability comprise 22% of enrollees but 55% of spending*



NOTE: Includes full and partial benefit enrollees ever enrolled during 2019. Total may not sum to 100% due to rounding.

SOURCE: KFF State Health Facts, Enrollees and Spending by Enrollment Group

# Nearly 6 million Medicaid enrollees used LTSS in 2020.

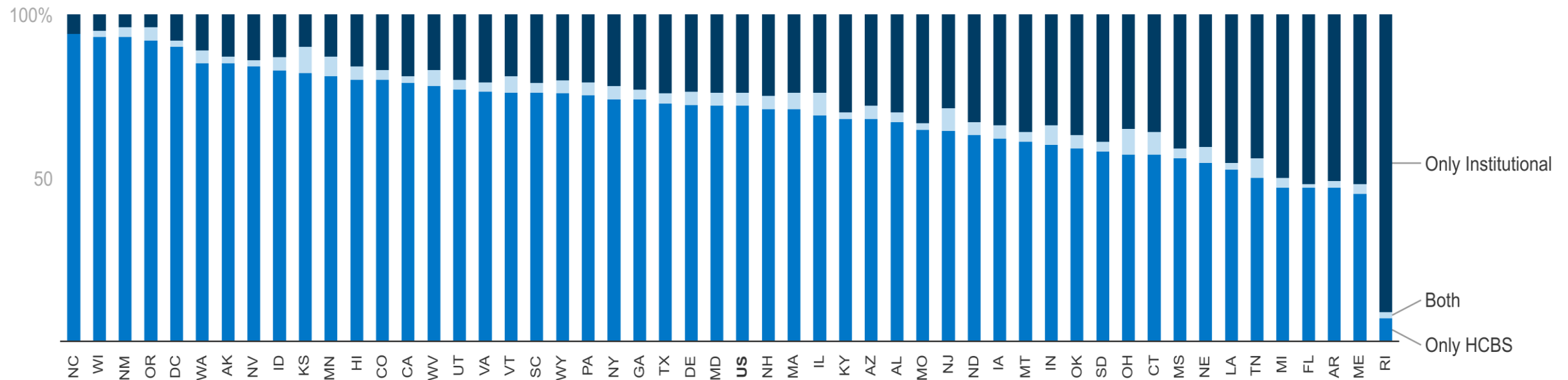


How Many People Use Medicaid Long-Term Services and Supports and How Much Does Medicaid Spend on Those People?  
<https://www.kff.org/medicaid/issue-brief/how-many-people-use-medicaid-long-term-services-and-supports-and-how-much-does-medicaid-spend-on-those-people/>

# Among people who used Medicaid LTSS, 72% used Only HCBS, but that varied across the states.

Figure 5

*Distribution of people who used Medicaid LTSS by setting and state*



NOTE: For detailed values on each state, download the data. LTSS = Long-term services and supports. HCBS = home and community-based services. The extremely small number of people using HCBS in Rhode Island suggests a potential data quality issue. See methods for additional details.

SOURCE: KFF analysis of the T-MSIS Research Identifiable Files, 2020

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# Medicaid enrollees who used Medicaid LTSS had high per-enrollee spending.

Figure 6

*Per-enrollee spending for Medicaid Enrollees*

Enrollees Using Any LTSS



Enrollees Using Any HCBS



Enrollees Using Any Institutional Care



Enrollees Using No LTSS



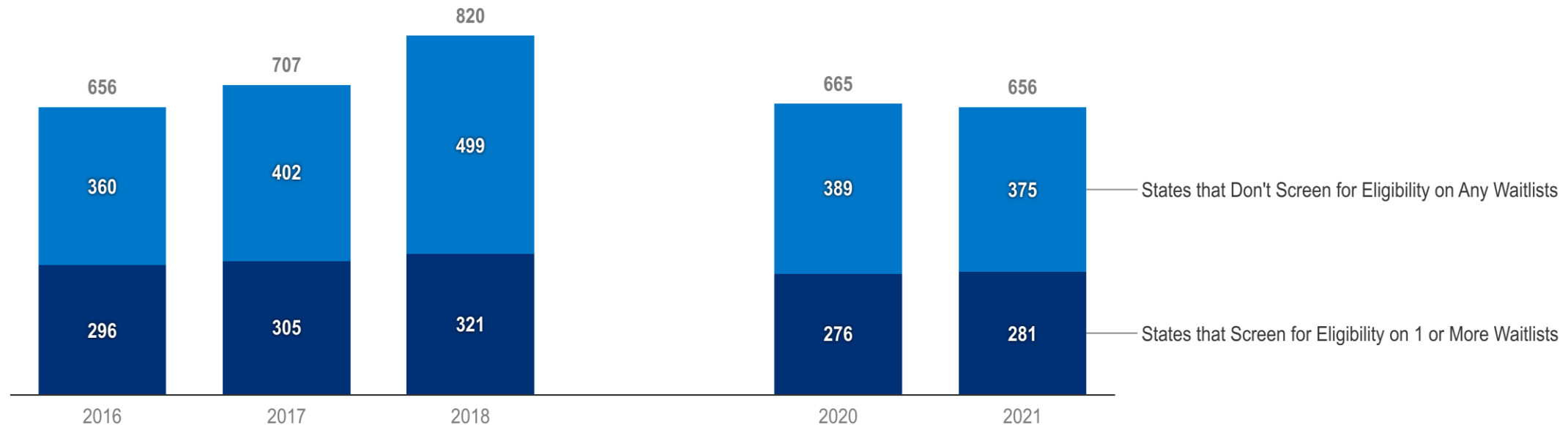
NOTE: LTSS= Long-term services and supports. HCBS = home and community-based services. A small share of enrollees use both HCBS and Institutional care and are reflected in both "Any HCBS" and "Any Institutional Care". See methods for additional details.

SOURCE: KFF analysis of the T-MSIS Research Identifiable Files, 2020

# In recent years, an additional 0.7 million people have been on waiting lists for Medicaid HCBS.

Figure 7

Number of people in 1000s on HCBS waitlists by whether or not state screens people on waitlists for eligibility.



NOTE: States that screen for eligibility on 1 or more waitlist might not screen people for eligibility on all waitlists. Data are not available for 2019 because the COVID-19 pandemic interrupted data collection during the year 2020.

SOURCE: KFF State Health Facts, Medicaid HCBS Waiver Waiting List Enrollment, by Target Population and Whether States Screen for Eligibility

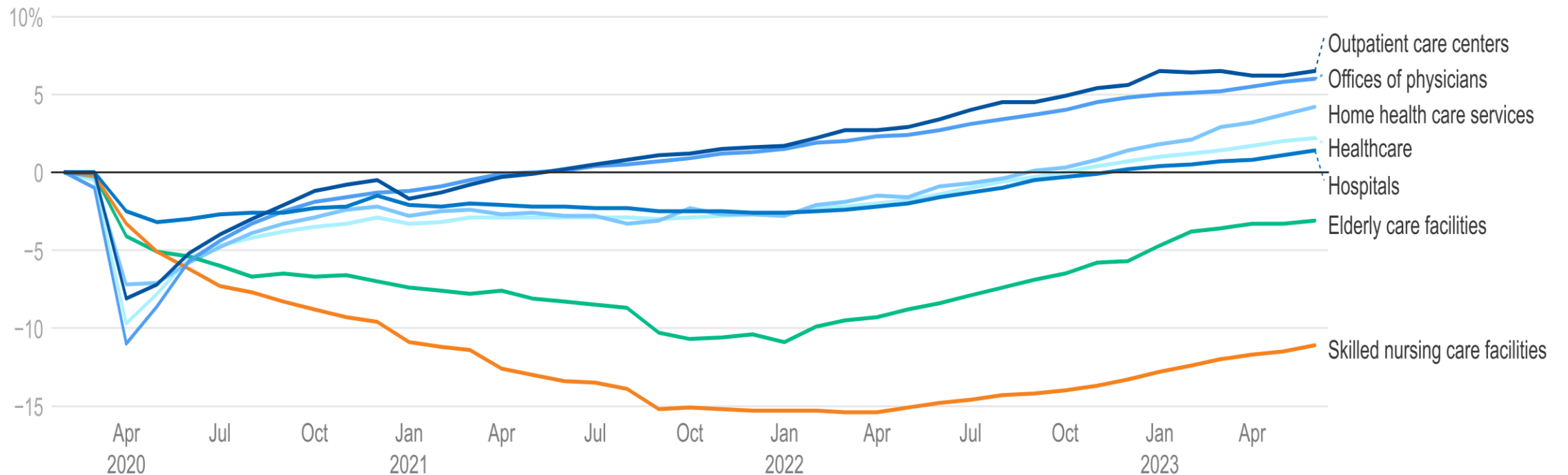
# What current policy issues affect people who use LTSS?

- Workforce shortages for all settings and all payers
- New staffing rules for nursing facilities
- End of the public health emergency authorities for Medicaid HCBS
- Supports for family caregivers

# Employment in LTSS remains below pre-pandemic levels.

Figure 8

Cumulative % change in health sector employment by setting, February 2020 - June 2023



NOTE: All data is seasonally adjusted. Data for the latest two months are preliminary. Elderly care facilities are continuing care retirement communities and assisted living facilities for the elderly.

SOURCE: Imani Telesford, Emma Wager, Paul Hughes-Cromwick, Krutika Amin, and Cynthia Cox. Peterson-KFF Health System Tracker. July 20, 2023. <https://www.healthsystemtracker.org/chart-collection/what-impact-has-the-coronavirus-pandemic-had-on-healthcare-employment/>

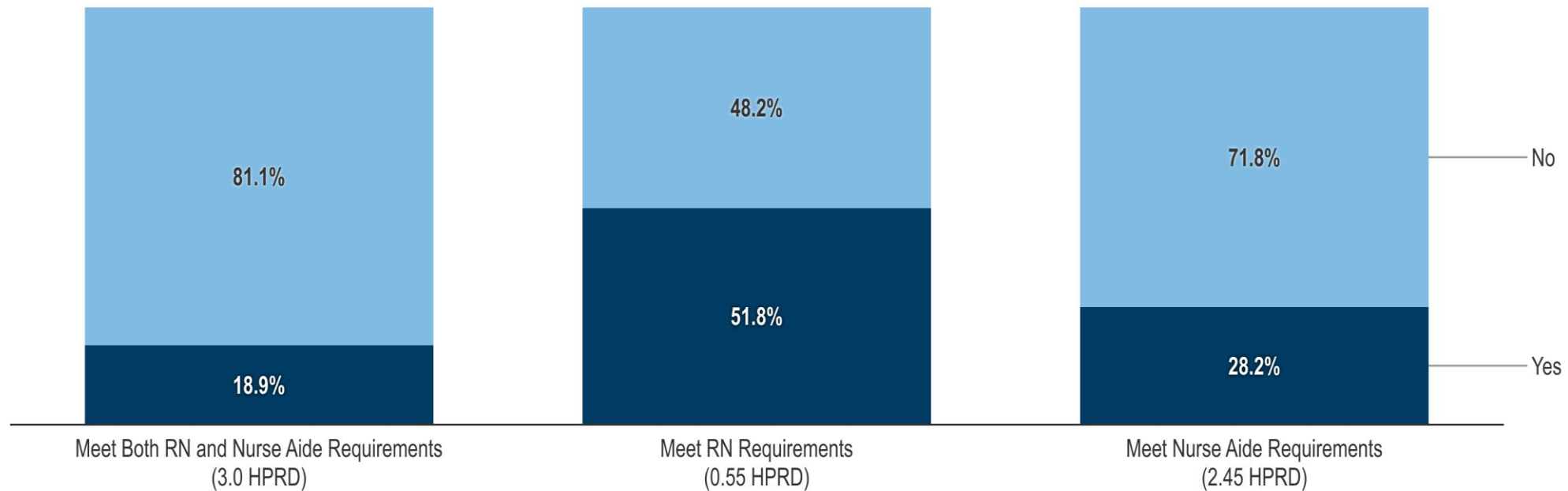
Peterson-KFF

**Health System Tracker**

# New rule on nursing facility staffing would require most facilities to add new nurses or qualify for an exemption.

Figure 9

Share of nursing facilities meeting the minimum HPRD standards in the proposed rule



NOTE: HPRD = hours per resident day. RN = registered nurse. For a facility of 100 residents, 0.55 RN HPRD = 55 hours of RN care each day and 2.45 nurse aide HPRD = 245 hours of nurse aide care each day. The rule would also require nursing facilities to have an RN on duty at all times, but that requirement is not accounted for in this analysis.

SOURCE: KFF Analysis of Nursing Home Compare, August 2023

What Share of Nursing Facilities Might Meet Proposed New Requirements for Nursing Staff Hours? <https://www.kff.org/medicaid/issue-brief/what-share-of-nursing-facilities-might-meet-proposed-new-requirements-for-nursing-staff-hours/>.

# As HCBS public health emergencies end, there will be more changes for Medicaid HCBS programs.

Figure 10

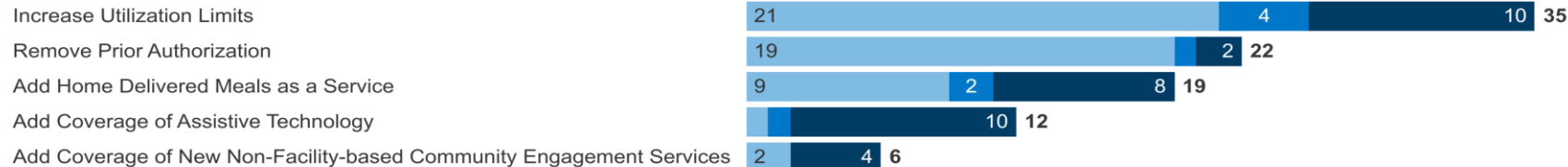
Number of states that used the PHE authorities by the policies' status as of summer 2023

Ending Transitioning to Permanent Made Permanent

## Eligibility and Enrollment



## Services



## Workforce



NOTE: HCBS = home- and community-based services. PHE = public health emergency. Ending = adopted under a PHE authority and has ended or will end by November 2023. Transitioning to permanent = adopted under a PHE authority but state is working to transition to a permanent authority. Made permanent = adopted under a PHE authority but policy has been transitioned to a permanent authority.

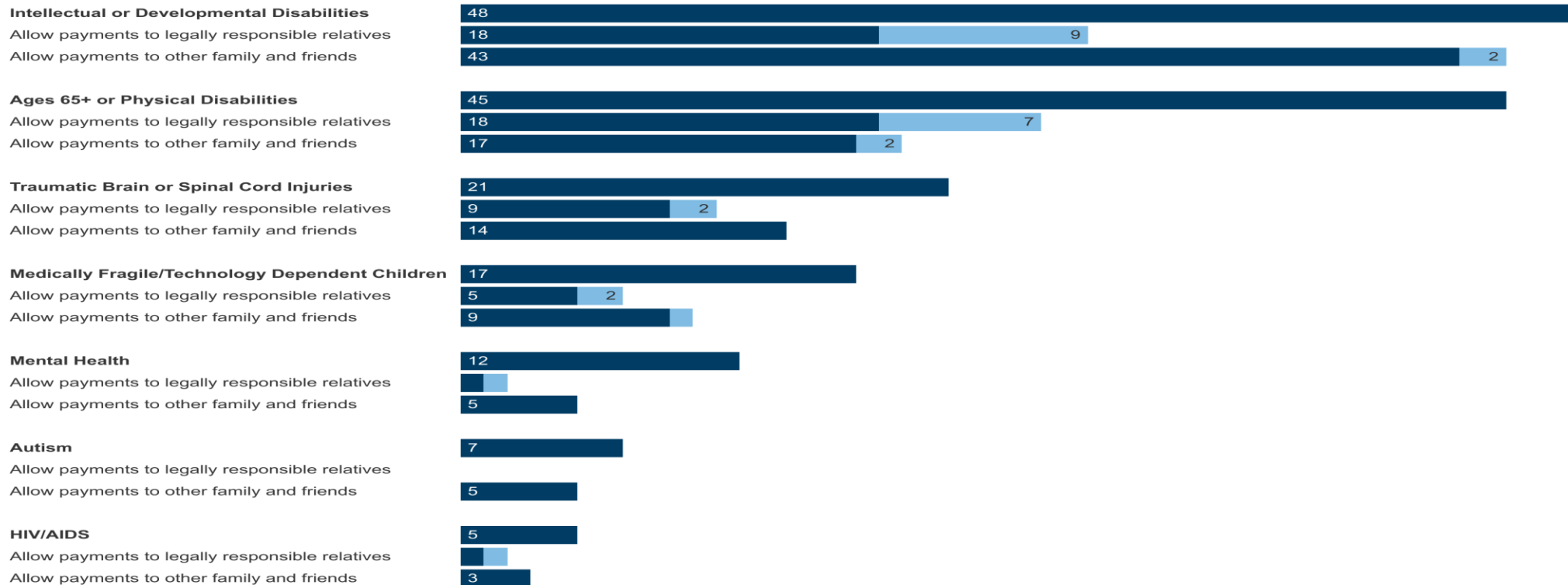
SOURCE: KFF Medicaid HCBS Program Survey 2023

# Among waiver programs, states are most likely to pay family caregivers for people with intellectual/developmental disabilities.

Figure 11

Number of states that provide HCBS through a waiver for specific populations and whether that program allows payments for family caregivers

■ Yes ■ Under the PHE, but Policy is Ending



NOTE: HCBS = home- and community-based services. PHE = public health emergency. Legally responsible relatives include spouses, parents of minor children, and other caregivers.  
SOURCE: KFF Medicaid HCBS Program Survey 2023

# Alice Burns

Associate Director for Program on Medicaid and the Uninsured



Alice Burns is an associate director of KFF's Program on Medicaid and the Uninsured, where she focuses on overseeing the team's quantitative research. Prior to joining KFF in 2022, Dr. Burns served as a principal analyst at the Congressional Budget Office. She led the agency's research using Medicaid claims data and worked on issues related to long-term services and supports, private health insurance, surprise medical bills, and single-payer health care. Before her time at the CBO, she was a consultant with the Lewin Group and a research scientist at the George Washington University Center for Health Policy Research.

Dr. Burns received her bachelor's degree from the University of Maryland, a Master of Public Policy from George Washington University, and her Ph.D. in public policy and public administration, also from George Washington University.