

December 13, 2024

# Spending and Utilization for Medicaid Home- and Community-Based Services

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Medicaid and CHIP Payment and Access Commission

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# Overview

- Background
- Findings from analysis of Transformed Medicaid Statistical Information System (T-MSIS) data
  - Demographic characteristics of Medicaid beneficiaries and users of home- and community-based services (HCBS)
  - HCBS utilization and spending
- Key takeaways
- Next steps



# Utilization of Home- and Community-Based Services

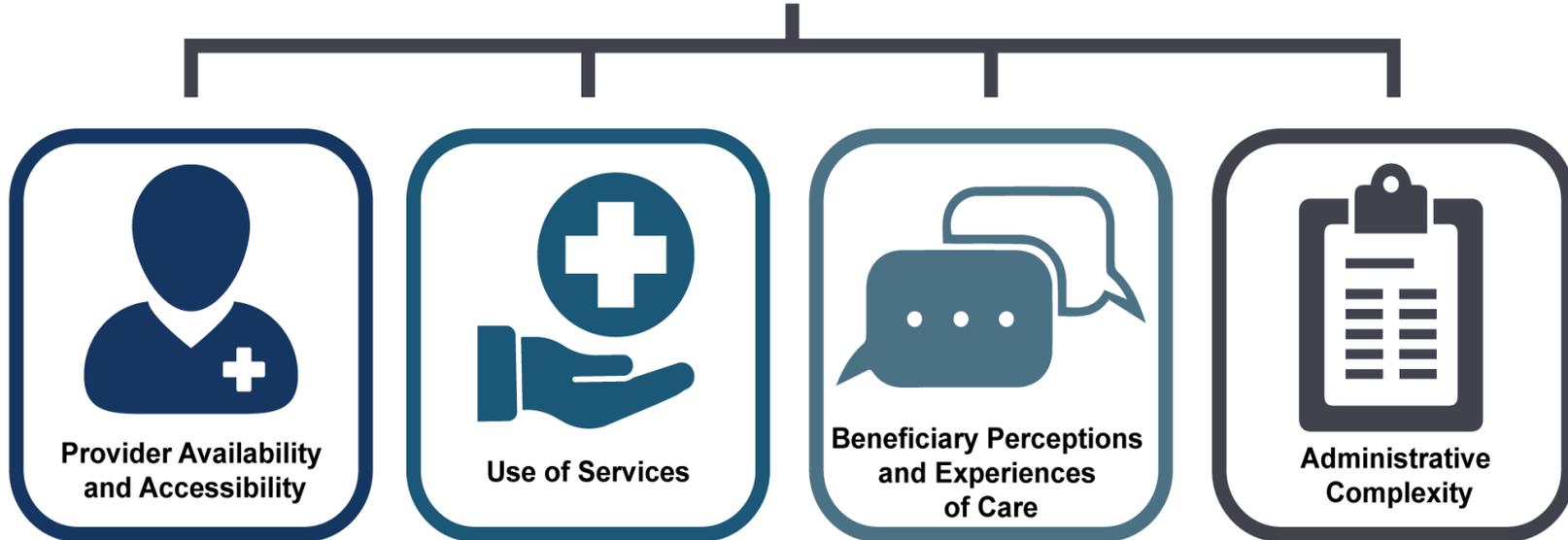
- In 2021, over 2.5 million individuals used HCBS
  - States offer over 60 specific services for HCBS users such as case management or day services, which are classified into 18 taxonomy categories
- HCBS users can be categorized into subpopulations, and states often serve more than one subpopulation in a waiver
  - Intellectual or developmental disabilities (I/DD) or autism spectrum disorder (ASD)
  - Under age 65 with potentially disabling conditions
  - Older adults
  - Brain injuries
  - Mental illness, serious emotional disturbance (SED), or substance use disorder (SUD)
  - HIV/AIDS
- Services HCBS users require vary across and within subpopulation by type, intensity, and cost

# HCBS Spending

- In 2021, Medicaid spending on HCBS outpaces spending on institutional care (\$82 billion and \$68 billion, respectively)
  - However, per user spending on HCBS was lower than per user spending on institutional LTSS (\$32,000 and \$46,000, respectively)
- Section 1915(c) waiver services account for the majority of HCBS spending
- Spending varies by subpopulation, and some subpopulations account for a disproportionate share of LTSS expenditures

# HCBS Access Domains

## HCBS Access Framework



**Notes:** HCBS is home- and community-based services.

**Source:** Medicaid and CHIP Payment and Access Commission (MACPAC), 2022, Chapter 1: A new Medicaid access monitoring system. In *Report to Congress on Medicaid and CHIP*, June 2022, Washington, DC: MACPAC. <https://www.macpac.gov/wp-content/uploads/2022/06/Chapter-1-A-New-Medicaid-Access-Monitoring-System.pdf>.

# Analysis

- In 2017, MACPAC published a similar analysis of HCBS claims using Medicaid Analytic eXtract (MAX) data, but there were research limitations
- This analysis expands on our past work and stratifies HCBS spending and utilization by
  - demographic characteristics
  - HCBS taxonomy categories
  - LTSS subpopulations
- Its purpose is to establish a baseline of data on differences in HCBS spending and utilization
- Data in this study include both HCBS and institutional LTSS, but we will focus on the HCBS findings in this presentation

# Findings from Analysis of T-MSIS Data

# Methodology

- Analyzed data from the T-MSIS analytic files (TAF) from calendar years 2019–2021
- Identified HCBS and institutional LTSS claims by using several data elements on a claim
  - Adapted methodology from the Centers for Medicare & Medicaid Services (CMS) LTSS Expenditures and Users Reports and KFF State Health Facts
- Linked LTSS claims to eligibility file to identify beneficiary characteristics and classify LTSS users into subpopulations
  - Beneficiaries that met the criteria for more than one LTSS subpopulation are included in each of the applicable subpopulations
- Stratified spending and utilization data by beneficiary characteristics and LTSS subpopulations

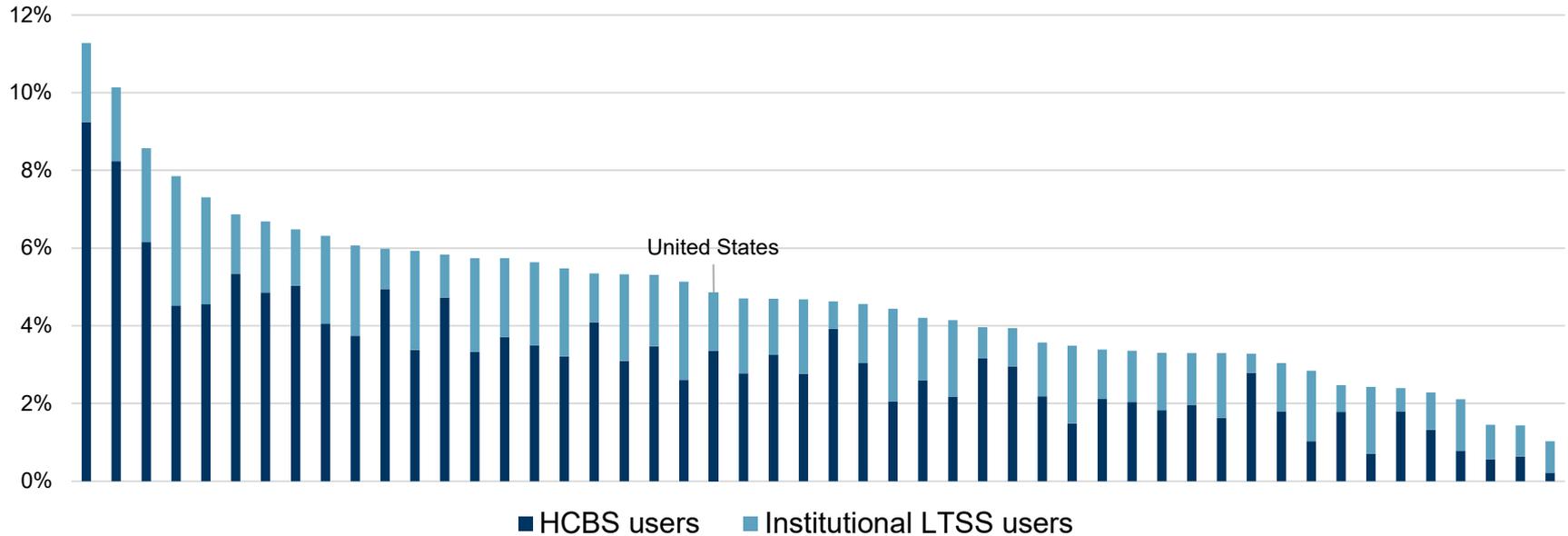
# Medicaid Enrollment and LTSS Users, 2019–2021

| Population                        | 2019              |             | 2020              |             | 2021              |             |
|-----------------------------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|
|                                   | Total (thousands) | % of total  | Total (thousands) | % of total  | Total (thousands) | % of total  |
| <b>All Medicaid beneficiaries</b> | <b>91,559</b>     | <b>100%</b> | <b>91,790</b>     | <b>100%</b> | <b>97,668</b>     | <b>100%</b> |
| HCBS users                        | 2,204             | 2.4         | 2,494             | 2.7         | 2,545             | 2.6         |
| Institutional LTSS users          | 1,769             | 1.9         | 1,621             | 1.8         | 1,456             | 1.5         |

**Notes:** HCBS is home- and community-based services. LTSS is long-term services and supports. Medicaid beneficiaries that met the enrollment criteria and used both HCBS and institutional LTSS in a given year are counted in both groups. This table includes data from 49 states and the District of Columbia. One state is excluded from this table due to concerns about the quality of the data used in the LTSS calculations for calendar years 2020 and 2021.

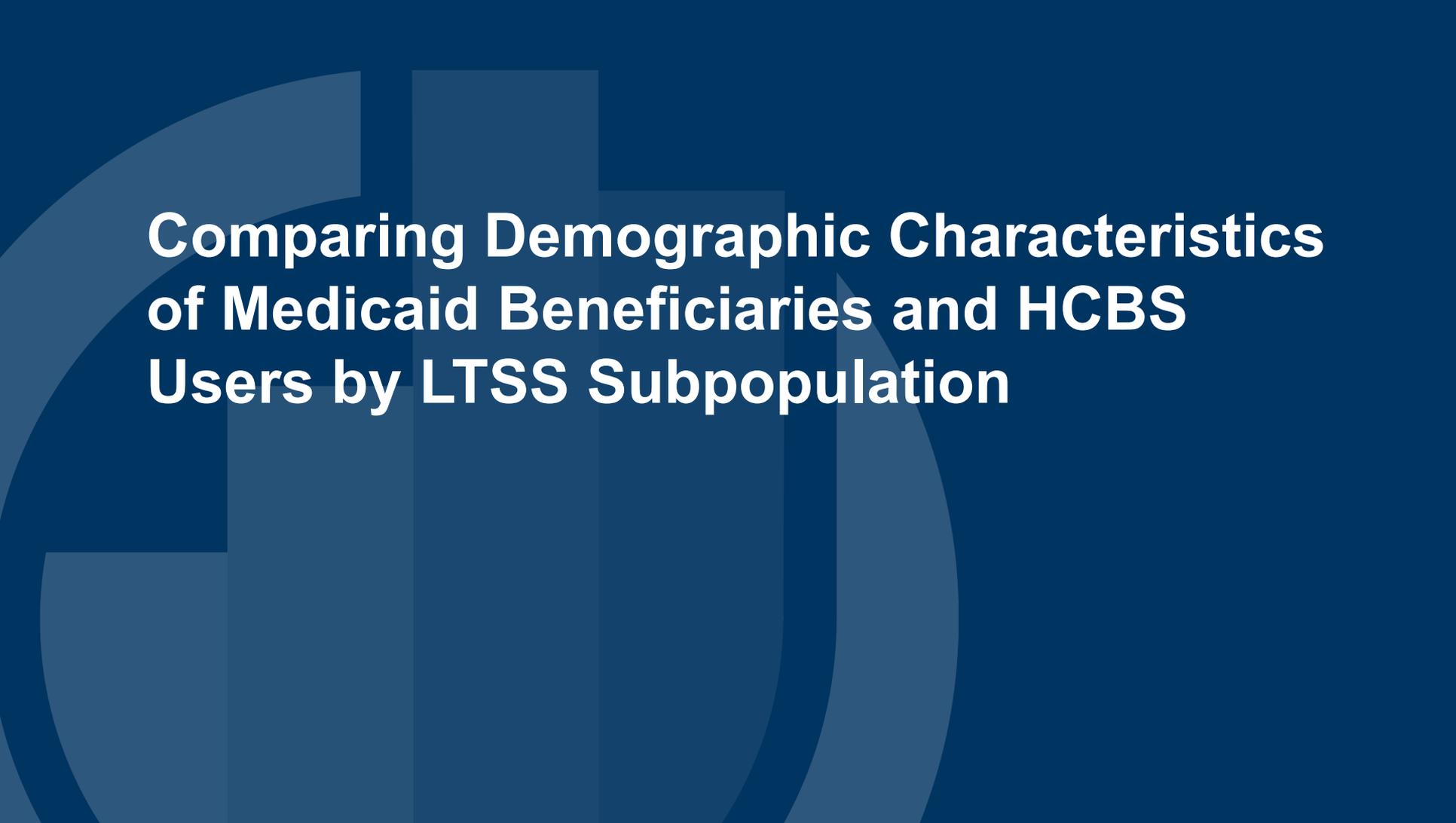
**Source:** MACPAC, 2024, analysis of Transformed Medicaid Statistical Information System (T-MSIS) data.

# State Distribution of HCBS and Institutional LTSS Users as a Share of All Medicaid Beneficiaries, 2021



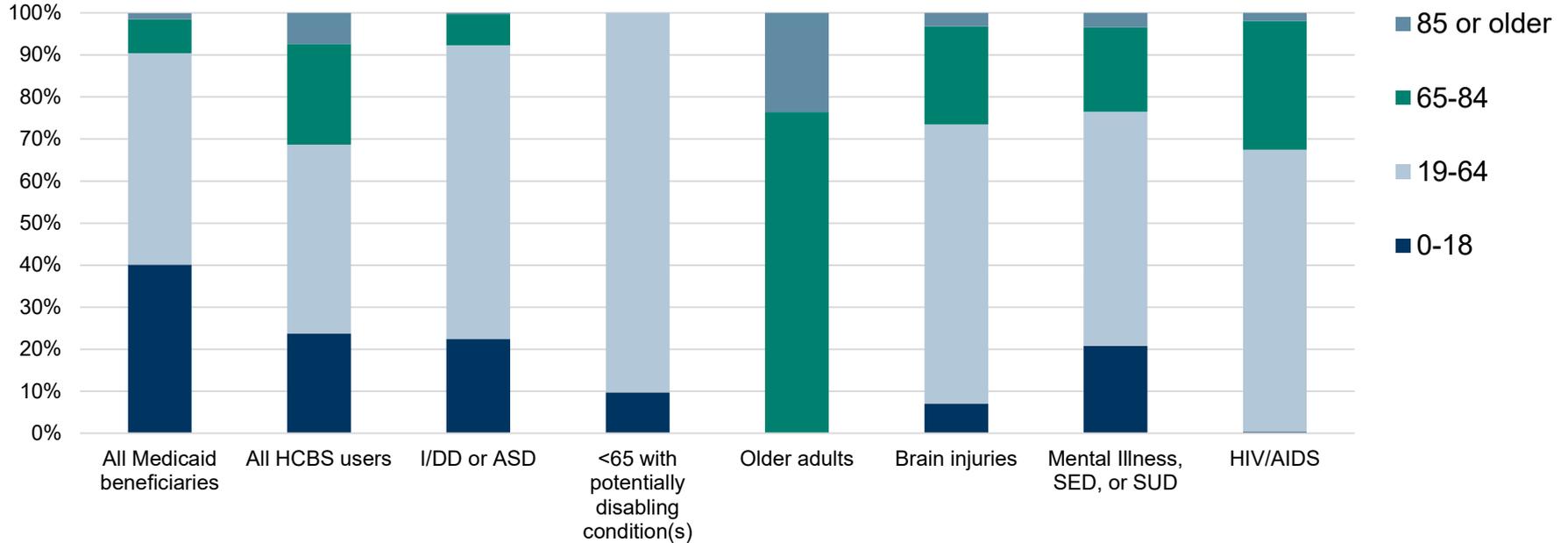
**Notes:** HCBS is home- and community-based services. LTSS is long-term services and supports. Medicaid beneficiaries that met the enrollment criteria and used both HCBS and institutional LTSS in a given year are counted in both groups. This figure includes data from 48 states and the District of Columbia. Data from two states are excluded from this figure due to data reporting issues.

**Source:** MACPAC, 2024, analysis of Transformed Medicaid Statistical Information System (T-MSIS) data.

The background features a dark blue gradient with a large, semi-transparent graphic on the left side. This graphic consists of a white cross shape overlaid on a white circle, creating a combined symbol. The text is positioned to the right of this graphic.

# **Comparing Demographic Characteristics of Medicaid Beneficiaries and HCBS Users by LTSS Subpopulation**

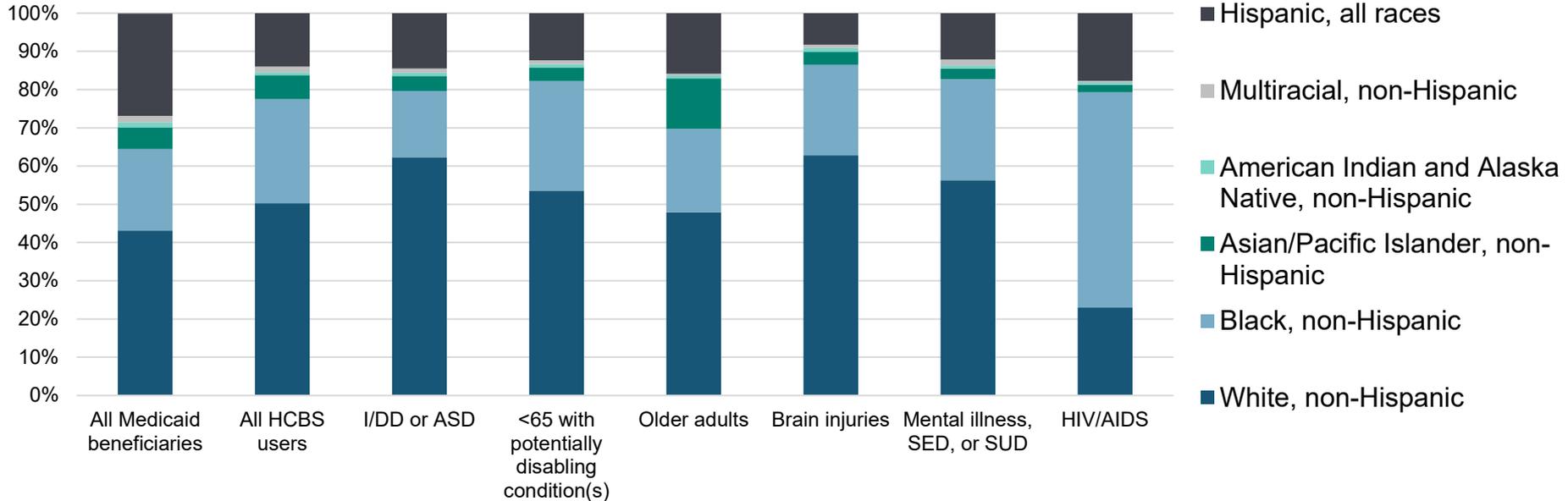
# Age of Medicaid Beneficiaries and HCBS Users, 2021



**Notes:** HCBS is home- and community-based services. I/DD is intellectual or developmental disabilities. ASD is autism spectrum disorder. SED is serious emotional disturbance. SUD is substance use disorder. This figure includes data from 50 states and the District of Columbia. Due to a data reporting issue in one state, the number of HCBS users is inflated, impacting national trends. Beneficiaries with missing or unknown age accounted for less than 2 percent of the population and are excluded from this figure.

**Source:** MACPAC, 2024, analysis of Transformed Medicaid Statistical Information System (T-MSIS) data.

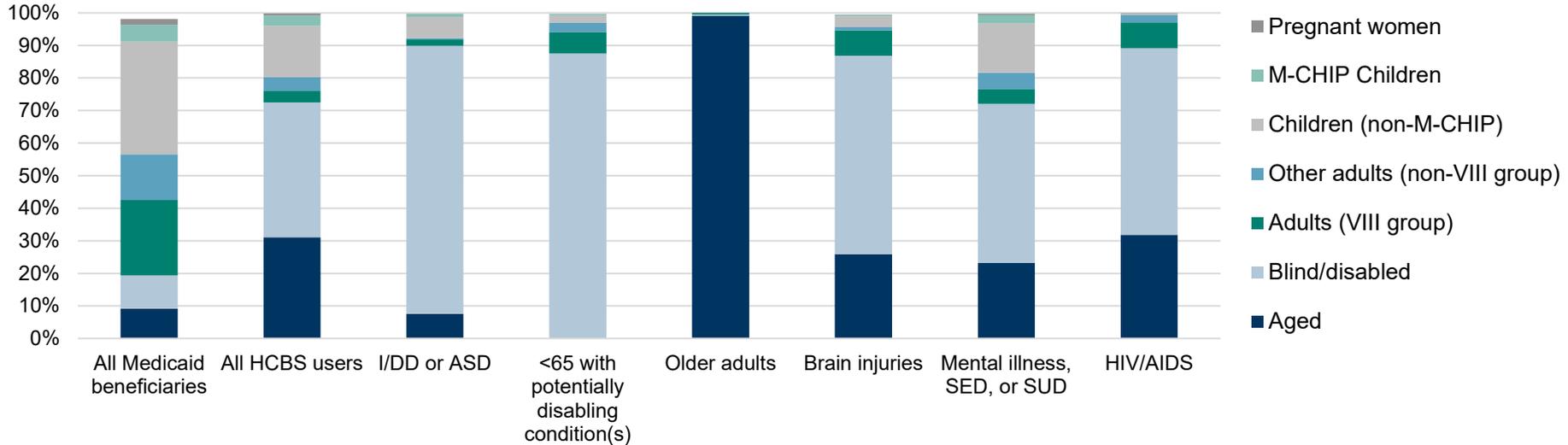
# Race and Ethnicity of Medicaid Beneficiaries and HCBS Users, 2021



**Notes:** HCBS is home- and community-based services. I/DD is intellectual or developmental disabilities. ASD is autism spectrum disorder. SED is serious emotional disturbance. SUD is substance use disorder. Beneficiaries with missing or unknown race or ethnicity accounted for less than one percent of the population and are excluded from this figure. This figure includes data from 50 states and the District of Columbia. Due to a data reporting issue in one state, the number of HCBS users is inflated, impacting national trends. We used the race and ethnicity imputation (REI) companion file to enhance any unusable or unreliable race and ethnicity data as reported by states in T-MSIS.

**Source:** MACPAC, 2024, analysis of Transformed Medicaid Statistical Information System (T-MSIS) data.

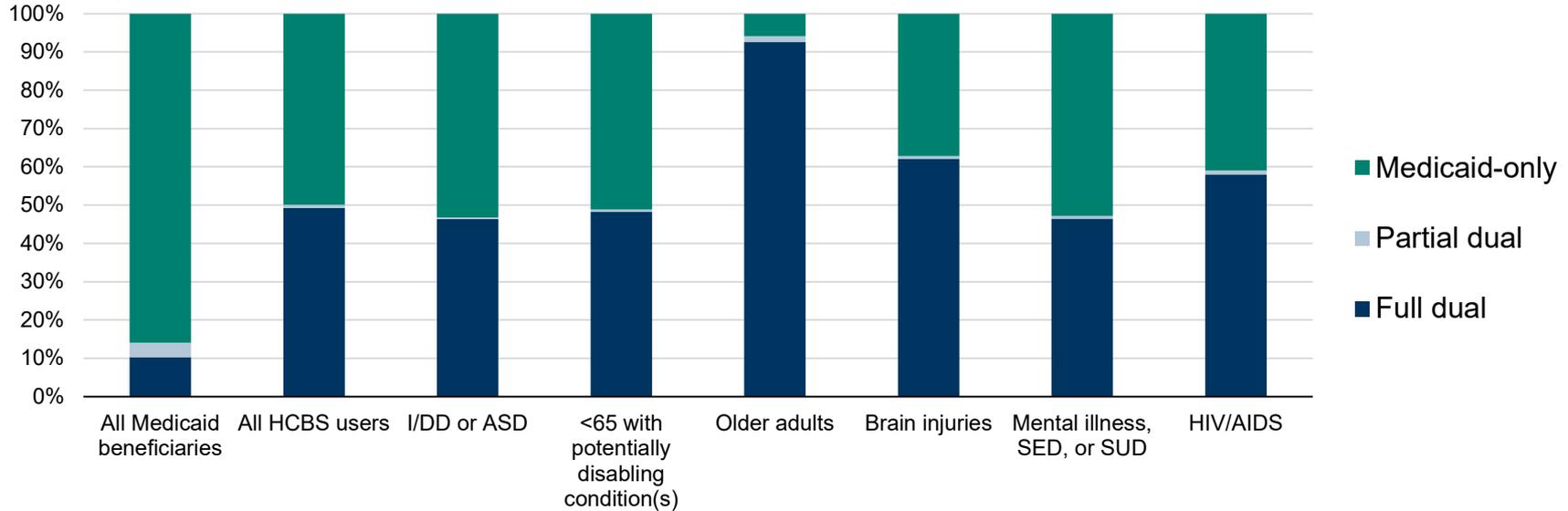
# Eligibility Groups of Medicaid Beneficiaries and HCBS Users, 2021



**Notes:** HCBS is home- and community-based services. I/DD is intellectual or developmental disabilities. ASD is autism spectrum disorder. SED is serious emotional disturbance. SUD is substance use disorder. This figure includes data from 50 states and the District of Columbia. Due to a data reporting issue in one state, the number of HCBS users is inflated, impacting national trends. Beneficiaries with missing or unknown eligibility group accounted for less than two percent of the population and are excluded from this figure. The new adult group (VIII group) includes those enrollees who are eligible under Section 1902(a)(10)(A)(i)(VIII) of the Act. Medicaid-expansion CHIP (M-CHIP) is CHIP-financed Medicaid coverage of targeted low-income children that meet the requirements of section 2103 of the Social Security Act. MACPAC uses the term pregnant women as this is the term used in the statute and regulations. However, other terms are increasingly used in recognition that not all individuals who become pregnant and give birth identify as women.

**Source:** MACPAC, 2024, analysis of Transformed Medicaid Statistical Information System (T-MSIS) data.

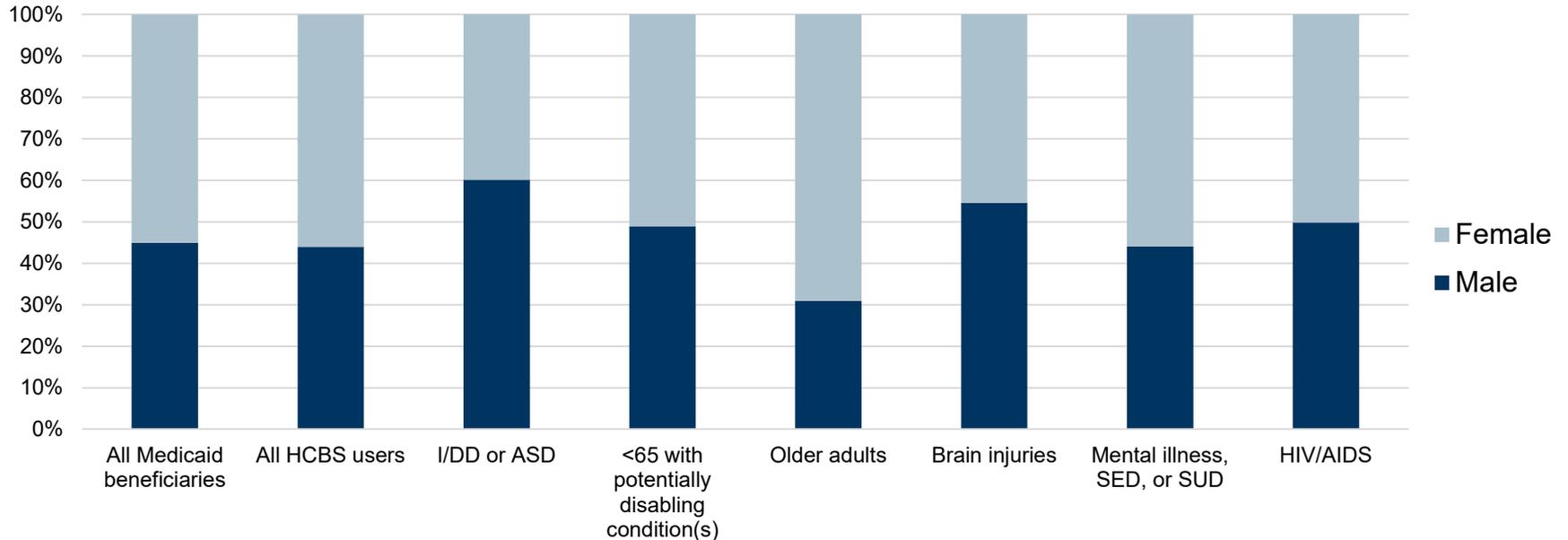
# Dually Eligible Status of Medicaid Beneficiaries and HCBS Users, 2021



**Notes:** HCBS is home- and community-based services. I/DD is intellectual or developmental disabilities. ASD is autism spectrum disorder. SED is serious emotional disturbance. SUD is substance use disorder. Dual eligibility refers to beneficiaries that are eligible for Medicare and Medicaid. This figure includes data from 50 states and the District of Columbia. Due to a data reporting issue in one state, the number of HCBS users is inflated, impacting national trends.

**Source:** MACPAC, 2024, analysis of Transformed Medicaid Statistical Information System (T-MSIS) data.

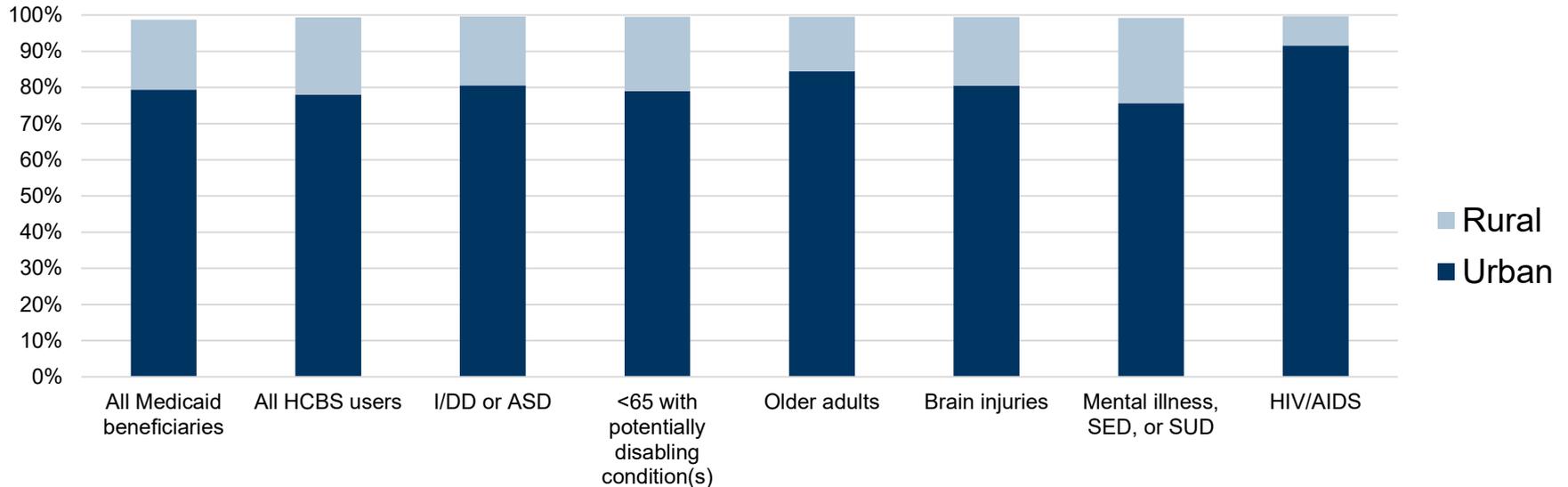
# Gender of Medicaid Beneficiaries and HCBS Users, 2021



**Notes:** HCBS is home- and community-based services. I/DD is intellectual or developmental disabilities. ASD is autism spectrum disorder. SED is serious emotional disturbance. SUD is substance use disorder. This figure includes data from 50 states and the District of Columbia. Due to a data reporting issue in one state, the number of HCBS users is inflated, impacting national trends. Beneficiaries with missing or unknown sex accounted for less than 0.05 percent of the population and are excluded from this figure.

**Source:** MACPAC, 2024, analysis of Transformed Medicaid Statistical Information System (T-MSIS) data.

# Geographic Location of Medicaid Beneficiaries and HCBS Users, 2021



**Notes:** HCBS is home- and community-based services. I/DD is intellectual or developmental disabilities. ASD is autism spectrum disorder. SED is serious emotional disturbance. SUD is substance use disorder. Urban or rural location is classified based on beneficiary ZIP codes using the U.S. Department of Education National Center for Education Statistics (NCES) Education Demographic and Geographic Estimates (EDGE) locale classification indicators. This figure includes data from 50 states and the District of Columbia. Due to a data reporting issue in one state, the number of HCBS users is inflated, impacting national trends. Beneficiaries with missing or unknown geographic location accounted for less than 2 percent of the population and are excluded from this figure.

**Source:** MACPAC, 2024, analysis of Transformed Medicaid Statistical Information System (T-MSIS) data.

# HCBS Spending and Utilization

# HCBS Spending and Utilization by Taxonomy, 2021

| HCBS taxonomy category                                     | HCBS users   | HCBS expenditures |
|--|--------------|-------------------|
| <b>Total users (thousands) and expenditures (millions)</b> | <b>3,324</b> | <b>\$84,085</b>   |
| <b>Percentage of total</b>                                 |              |                   |
| Round-the-clock services                                   | 33.5%        | 44.6%             |
| Other health and therapeutic services                      | 32.5         | 6.5               |
| Home-based services  | 20.1         | 16.5              |
| Case management  | 19.9         | 2.2               |
| Other mental health and behavioral services                | 14.7         | 6.5               |
| Nonmedical transportation                                  | 13.5         | 2.5               |
| Equipment, technology, and modifications                   | 11.6         | 0.5               |
| Day services   | 8.4          | 5.4               |
| Caregiver support  | 5.5          | 1.8               |
| Home-delivered meals                                       | 5.5          | 0.4               |
| Participant training                                       | 2.9          | 1.1               |
| Nursing  | 2.7          | 0.8               |
| Services supporting participant direction                  | 2.7          | 0.6               |
| Supported employment                                       | 1.7          | 0.8               |
| Community transition services                              | 0.1          | 0.0               |

**Notes:** HCBS is home- and community-based services. The sum of user and expenditure percentages across HCBS taxonomy categories will be greater than 100 percent because users and expenditures can be counted in more than one HCBS taxonomy category. Expenditures on a claim are attributed to each HCBS taxonomy category on the claim. This table includes data from 50 states and the District of Columbia. Due to a data reporting issue in one state, the number of HCBS users is inflated, impacting national trends.

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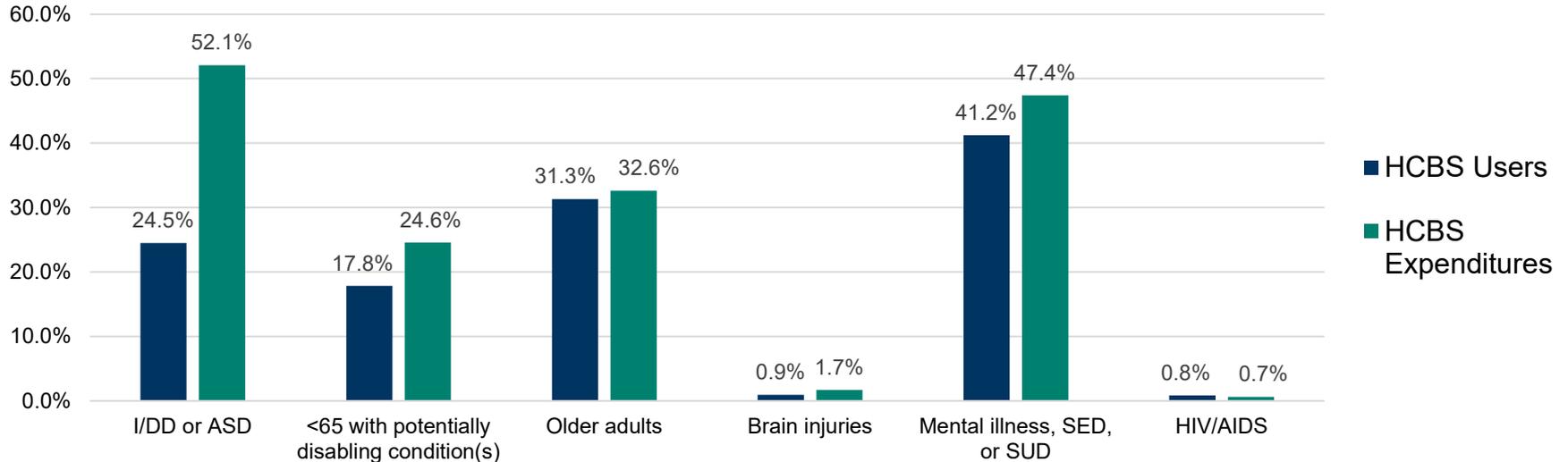
# HCBS Spending and Utilization by Subpopulation, 2021

| LTSS Subpopulation                                    | Number of Users (thousands) | Total Expenditures (millions) |
|---|-----------------------------|-------------------------------|
| <b>All HCBS Users</b>                                 | <b>3,324</b>                | <b>\$84,085</b>               |
| <b>I/DD or ASD</b>                                    | 814                         | 43,790                        |
| <b>&lt;65 with potentially disabling condition(s)</b> | 593                         | 20,669                        |
| <b>Older adults</b>                                   | 1,041                       | 27,430                        |
| <b>Brain injuries</b>                                 | 31                          | 1,430                         |
| <b>Mental illness, SED, or SUD</b>                    | 1,371                       | 39,861                        |
| <b>HIV/AIDS</b>                                       | 28                          | 555                           |

**Notes:** HCBS is home- and community-based services. LTSS is long-term services and supports. I/DD is intellectual or developmental disabilities. ASD is autism spectrum disorder. SED is serious emotional disturbance. SUD is substance use disorder. The sum of users and expenditures across the subpopulations will be greater than the total because beneficiaries are counted in each subpopulation for which they which meet the criteria. This table includes data from 50 states and the District of Columbia. Due to a data reporting issue in one state, the number of HCBS users is inflated, impacting national trends.

**Source:** MACPAC, 2024, analysis of Transformed Medicaid Statistical Information System (T-MSIS) data.

# HCBS Spending and Utilization as a Percent of Total by LTSS Subpopulation, 2021

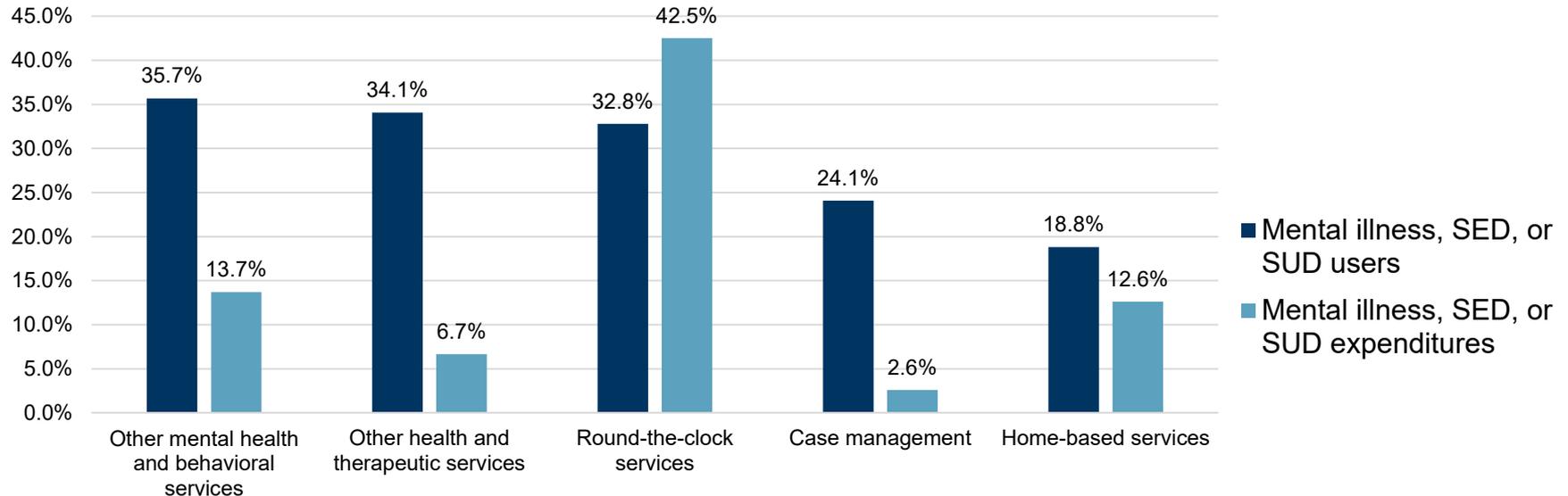


**Notes:** HCBS is home- and community-based services. LTSS is long-term services and supports. I/DD is intellectual or developmental disabilities. ASD is autism spectrum disorder. SED is serious emotional disturbance. SUD is substance use disorder. The sum of percentages across the subpopulations will total more than 100 because beneficiaries are counted in each subpopulation for which they which meet the criteria. This figure includes data from 50 states and the District of Columbia. Due to a data reporting issue in one state, the number of HCBS users is inflated, impacting national trends.

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# HCBS Spending and Utilization by Taxonomy, 2021

## Mental illness, SED, or SUD

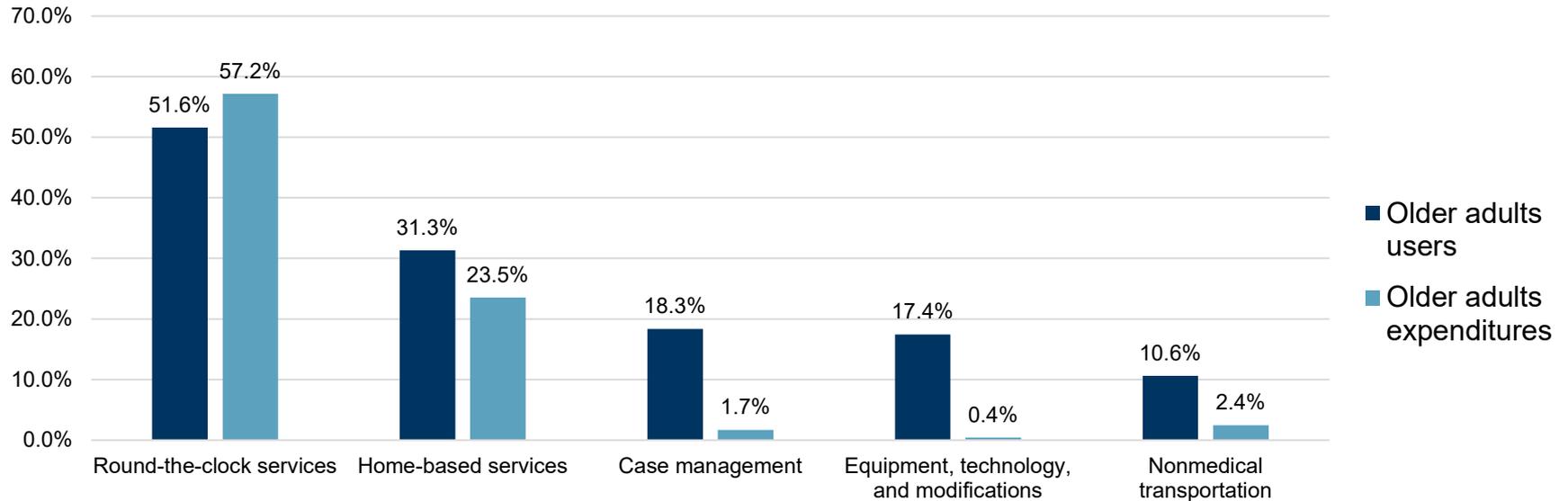


**Notes:** HCBS is home- and community-based services. SED is serious emotional disturbance. SUD is substance use disorder. The sum of user and expenditure percentages across HCBS taxonomy categories will be greater than 100 because users and expenditures can be counted in more than one HCBS taxonomy category. Total expenditures on a claim are attributed to each HCBS taxonomy category that appear on the claim. This figure includes data from 50 states and the District of Columbia. Due to a data reporting issue in one state, the number of HCBS users is inflated, impacting national trends.

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# HCBS Spending and Utilization by Taxonomy, 2021

## Older adults

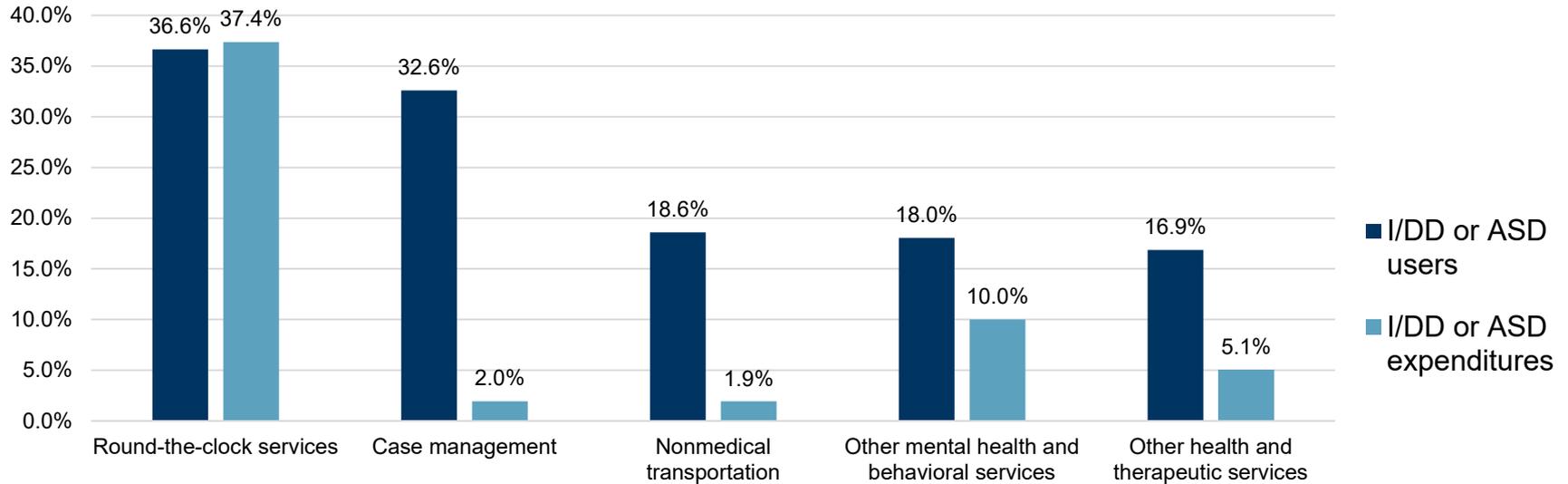


**Notes:** HCBS is home- and community-based services. The sum of user and expenditure percentages across HCBS taxonomy categories will be greater than 100 because users and expenditures can be counted in more than one HCBS taxonomy category. Total expenditures on a claim are attributed to each HCBS taxonomy category that appear on the claim. This figure includes data from 50 states and the District of Columbia. Due to a data reporting issue in one state, the number of HCBS users is inflated, impacting national trends.

**Source:** MACPAC, 2024, analysis of Transformed Medicaid Statistical Information System (T-MSIS) data.

# HCBS Spending and Utilization by Taxonomy, 2021

## I/DD or ASD

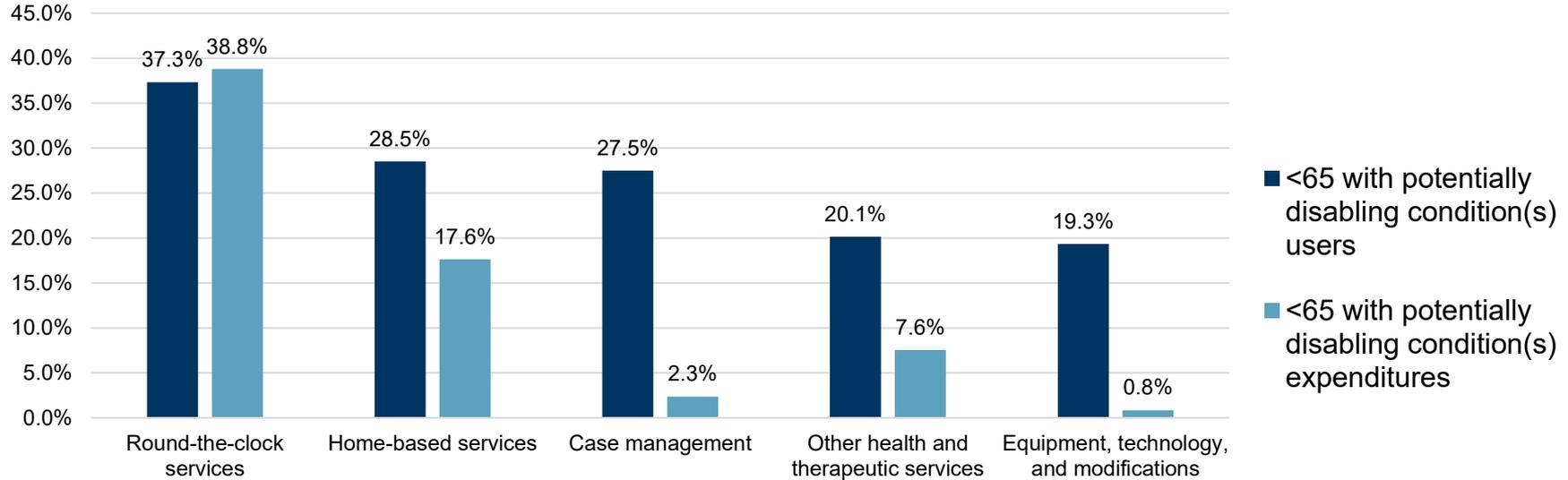


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# HCBS Spending and Utilization by Taxonomy, 2021

## <65 with potentially disabling condition(s)



**Notes:** HCBS is home- and community-based services. The sum of user and expenditure percentages across HCBS taxonomy categories will be greater than 100 because users and expenditures can be counted in more than one HCBS taxonomy category. Total expenditures on a claim are attributed to each HCBS taxonomy category that appear on the claim. This figure includes data from 50 states and the District of Columbia. Due to a data reporting issue in one state, the number of HCBS users is inflated, impacting national trends.

# Key Takeaways and Next Steps

## Demographic Characteristics of HCBS Users

- Compared to the overall Medicaid population, HCBS users were older, less likely to identify as Hispanic, more likely to be in the blind or disabled eligibility group, and more likely to be dually eligible for Medicare and Medicaid
- The largest LTSS subpopulations among HCBS users were: mental illness, SED, or SUD, older adults, I/DD or ASD, and <65 with potentially disabling condition(s).
  - Across all subpopulations, most beneficiaries were adults over age 19
  - Most beneficiaries identified as white, non-Hispanic, except those with HIV/AIDS, whose majority identified as Black, non-Hispanic
  - Most beneficiaries were in the aged or blind and disabled eligibility group categories
  - HCBS users with full dually eligible status were most prevalent in the older adult and brain injuries subpopulations

# HCBS Spending and Utilization

- The distribution of HCBS spending and utilization varied by subpopulation
  - Beneficiaries with I/DD or ASD accounted for the highest share of total HCBS expenditures, followed by beneficiaries with mental illness, SED, or SUD
  - Subpopulations with HIV/AIDS and with brain injuries comprised the smallest share of HCBS users and expenditures
- Each subpopulation varied in the HCBS taxonomy category services used, likely reflecting each subpopulation's unique needs
  - Round-the-clock services was the most commonly used taxonomy across most subpopulations and accounted for the largest share of expenditures
  - The most commonly used taxonomy among beneficiaries with mental illness, SED or SUD was other mental health services and behavioral health services
  - Case management was one of the most commonly used services across all HCBS users, but only accounted for a small percentage of expenditures

## Next Steps

- For this session, staff welcome Commissioner feedback on areas of interest based on the data presented today
- We will develop an issue brief with the high-level findings
- Staff will use the new HCBS dataset for future analyses and publications

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