

# The Value of Rebalancing Long-term Services & Supports

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## What is rebalancing?

Rebalancing refers to shifting Medicaid funding for Long Term Services and Supports (LTSS) away from institutional care and toward home and community-based services (HCBS). The goal is to increase funding for HCBS so more people can live at home and remain part of their communities, rather than in institutions. When we talk about rebalancing, we specifically mean rebalancing LTSS.



## What is Medicaid?

Medicaid is a public health insurance program. It helps pay for medical costs, including LTSS, for people with little money or income. Our taxes pay for Medicaid.



## What are long-term services and supports?

Long-term services and supports (LTSS) are services that help people with disabilities, chronic health conditions or older adults who need assistance with basic activities. LTSS can be given in the home or in institutions.



## What are the services offered by LTSS?

Some services include helping people with basic daily activities like eating, bathing or dressing, as well as housekeeping, shopping, managing money and managing medications.



## What are Home and Community-Based Services?

Home and community-based services (HCBS) allow people with disabilities and older adults to live in their own homes or in a community setting, instead of an institution. HCBS are a type of LTSS.



## What are institutions?

Institutions are places where people with disabilities, chronic conditions or older adults live apart from their families and communities. For example, a nursing home is an institution.

## Medicaid and rebalancing



- Medicaid always pays for LTSS when the person lives in an institution.
- Medicaid does not always pay for LTSS when the person uses HCBS to live in the community.
- In the past, Medicaid has given more LTSS money to institutions each year than to HCBS to help people live at home.
- Each state controls the LTSS money it gets from Medicaid.

In 1990, only 14% of LTSS money went to HCBS for community living. The rest went to institutions.



In 2019, 59% of Medicaid money went to HCBS for community living, while 41% went to institutions.

## Why should we rebalance?



- The number of people who are over 65 years old is growing every year.
- More people over the age of 65 means more people need support.
- This means the number of people who need HCBS to live in the community is getting bigger.



Living in the community costs half as much as living in an institution. This means states can save money by helping people live in the community.



- Many studies have shown that people want to live at home, not in an institution.
- One study from 2018 found that 76% of people over 50 years old want to age at home.

## Why do most people want to live in the community instead of in institutions?



People who live in the community get to do things outside their home more often.



People who live in the community can do things with other people more often.



People who live in the community have better transportation options.



People who live in the community can talk to their friends and family more often.

## What is the federal government doing to rebalance?



- The federal government and the Center for Medicare and Medicaid Services (CMS) have done a few things to help states rebalance.
- They created an online toolkit to help states understand what needs to be done to rebalance LTSS in their states.
- It also gives states ideas and examples of ways they can rebalance LTSS.

## What are states doing to rebalance?



States have made it easier for people to see if they are eligible to receive HCBS and how to apply for HCBS.



States have found better ways to find and help people live in the community instead of going into an institution.

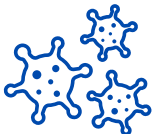


States can help people get temporary supports until they get HCBS.



States have created more housing options so people can have affordable and accessible places to live in the community.

## What programs can help states rebalance?



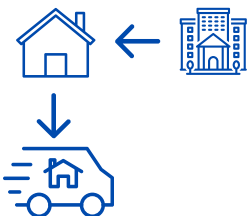
The **American Rescue Plan Act** (ARPA) provided money to the states to help with the COVID-19 pandemic. Some states use ARPA money to rebalance.



The **No Wrong Door** program helps people learn about all the options that are available in HCBS.



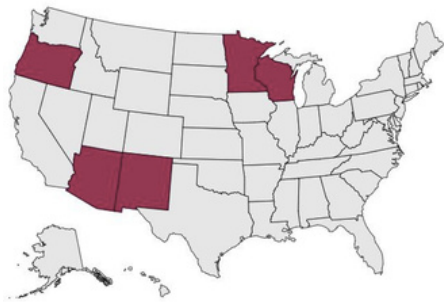
The **Money Follows the Person** program helps older adults who already live in institutions to move into the community.



- It gives states money to help rebalance their LTSS.
- The program has moved more than 107,000 people to the community since it started in 2008.
- More than half of the 50 states have signed up to participate in the Money Follows the Person program.

## Examples of Rebalancing by State

This section will give a few examples of the things different states are doing to rebalance.



The 5 states that spend the most of their Medicaid money on HCBS are Oregon, Minnesota, New Mexico, Arizona, and Wisconsin. These states are maroon on this map.



The 5 states that spend the least of their Medicaid money on HCBS have done the worst at rebalancing are Mississippi, Indiana, Louisiana, Florida, and Michigan. These states are marked on this map.



### Washington

Washington uses two programs to lower long-term care costs and lower the need for people to go into institutions.

- The **Medicaid Alternative Care (MAC)** is a program lets Medicaid recipients add their unpaid family caregiver to their Medicaid plan.
- **Tailored Supports for Older Adults (TSOA)** is another Washington State program. Like MAC, it provides services to support unpaid caregivers in and provides a small personal care benefit to people who don't have an unpaid family caregiver to help them.



### Connecticut

Connecticut provides 54% of it's long-term care in the community. The state wants to increase this to 75% in 2025.

- Connecticut also made HCBS self-direction better by helping with transition costs and non-human supports like meal delivery and technology.
- Self-direction is when the person receiving the HCBS manages how they receive services.
- Connecticut also helps train and prepare people who work in institutions change their jobs and work in the community.



### Minnesota

Three out of every 4 people that use LTSS in Minnesota live in the community.

- The [Return to Community Initiative](#) (RTCI) is a Minnesota program that helps people who are not on Medicaid return to the community from institutions.
- RTCI pays for housing costs for older adults and people with disabilities.



### Tennessee

Tennessee provides half of its long-term care in the community.

- Tennessee is working to make care coordination better, provide more options for LTSS, and use LTSS money better so more people are served.
- This will help people in Tennessee stay in their homes and communities .



### Maine

Maine gives money to new programs that help solve HCBS- related problems so that more people can live in the community. These programs:

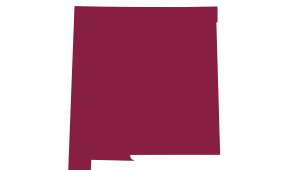
- Help people get and use technology that lets them stay independent
- Help people transition to the community



### Alabama

Alabama has a program called [Hospital to Home](#).

- This program helps people go home after they are in the hospital instead of going to an institution, like a nursing home.
- This program helps stop people from ever going to an institution.



### New Mexico

New Mexico uses ARPA funding to make more supportive housing units so there is more accessible and affordable housing.

- Supportive housing units are permanent housing options that come with supportive services to help people stay in their homes.
- Services include help with paying rent, case management, and counseling.

This document is based on a policy brief titled “The Value of Rebalancing Long-term Services and Supports” by Courtney Priebe, MPH, Policy Associate, Camille Dobson, MPA, Deputy Executive Director, and Rosa Plasencia, JD, Director of, National Core Indicators – Aging & Disabilities, at  
ADvancing States

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