INside the OUTcomes: A Rehabilitation Research Podcast

Episode 32: Rebalancing Long-term Services and Supports

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SHARON PARMET, HOST:  
Welcome to [INside the OUTcomes: A Rehabilitation Research Podcast](https://www.sralab.org/research/labs/cror/projects/inside-outcomes-rehabilitation-research-podcast). Today we're talking about rebalancing long-term services and supports away from the delivery of care in institutions like nursing homes and towards home and community-based services. The goal is to give people, especially older adults and people with disabilities, more choice and independence in how and where they receive care.

We are joined by Courtney Priebe, a policy associate at [ADvancing States](https://www.advancingstates.org/). Courtney is an author of a recent [policy brief](https://www.sralab.org/research/labs/cror/news/policy-brief-value-rebalancing-long-term-services-and-supports) on rebalancing that the [Center for Rehabilitation Outcomes Research](https://www.sralab.org/research/labs/cror) here at Shirley Ryan Ability Lab released last week. I'll be sure to link to the brief in the show notes.

Welcome to the podcast, Courtney.

COURTNEY:  
Thank you. I'm excited to be here.

SHARON:  
So, I guess my first question is just what really is rebalancing?

COURTNEY:  
Yeah, absolutely. So, with anything in Medicaid, I'm going to have to give you a little bit of background because there's no simple, there's never a simple answer.

So we've seen that the population of older adults has been growing in the United States and subsequently Americans are increasingly relying on home and community-based services to meet their long-term health needs.

At the same time, we're seeing that health expenditures, including Medicaid LTSS expenditures, are increasing year over year. So rebalancing long-term services and supports aims to achieve more equity and balance between the amount of spending that's spent on institutional long-term care and home and community-based long-term care. In other words, rebalancing shifts Medicaid spending away from institutional care toward community care and that ideally leads to significant savings for states, individuals, and families.

SHARON:  
So let's get into it a little bit more. What exactly is LTSS or long-term services and supports and what is home and community-based services or HCBS? Just a little background.

COURTNEY:  
Long-term services and supports, or LTSS, are a range of services. They are designed to help people with disabilities, chronic illnesses, and older adults who need a little bit of assistance with essential daily tasks over extended periods of time. These services can include help with personal care like eating and bathing and other health-related needs like administering medications.

So what sets LTSS apart is its emphasis on functional support rather than clinical medical treatment. These services aim to maintain independence and support people living in their communities to improve their overall quality of life. LTSS can be provided either in an institutional setting like a nursing home or in a home and community-based setting like an assisted living facility or the person's home.

Home and community-based services are a subset of LTSS and they enable people to receive LTSS in their homes and communities which is what most people want ultimately.

SHARON:  
So how is LTSS funded?

COURTNEY:  
So Medicaid is the primary payer of LTSS and under Medicaid, states have to provide some mandatory benefits, meaning that the state Medicaid programs must offer them to eligible individuals. Mandatory benefits include nursing facility services and home health services, but other services are optional.

So LTSS is a mandatory benefit, but HCBS is an optional benefit that states may choose to provide. And HCBS includes services like adult daycare, personal care, and other community-based supports. We have seen a historical preference for funding care in institutional settings compared to home or community-based settings.

Because of this institutional bias, a lot of states have historically spent more on institutional LTSS than home and community-based services. This bias may not seem like a big deal, but it can restrict access to HCBS, lead to people being institutionalized unnecessarily, and ultimately just limit individual choice.

SHARON:  
So how much does the United States spend on LTSS?

COURTNEY:  
In 2021, 7.5 million HCBS users had $115 billion in HCBS spending. At the same time, 1.5 million institutional service users had $67 billion in spending. So we saw five times as many people using HCBS compared to institutional LTSS, but spending on HCBS was less than double institutional LTSS expenditures. And that is not an insignificant difference.

SHARON:  
So how does LTSS use vary by state?

COURTNEY:  
It varies quite a bit. In 2020, nearly three-quarters of people who used Medicaid LTSS were exclusively served in home and community-based settings, but we saw a huge variation from state to state. In Maine, we saw 45% of LTSS provided in home and community-based settings, but in North Carolina, we saw 94% of LTSS provided in home and community-based settings.

There are a lot of causes for this. States are just balancing a lot of priorities in their Medicaid programs, and they're able to allocate different amounts of money depending on the priorities in their state at the time. And as a reminder, HCBS is optional, so states do not have to provide it depending on what their priorities are at the time.

SHARON:  
So let's get a little bit deeper into rebalancing now that we have some really good background. Why is rebalancing so important?

COURTNEY:  
Rebalancing is in line with the preferences and desires of older adults and people with disabilities. They largely prefer to receive care in their homes and communities rather than entering an institutional setting to receive that care.

They want to be around their friends and their families and their dog. They don't want to go to a new and unfamiliar place to receive that care if they have an alternative.

Rebalancing is also cost-effective. It's a cost-effective way of addressing individuals' functional needs. In 2020, per-enrollee spending for people using HCBS was a little over $36,000 per year. Per-enrollee spending for people using institutional care was a little over $47,000 per year. So a pretty big difference and a lot of potential cost savings if we shift care away from institutional settings.

SHARON:

So how is the federal government supporting state efforts to rebalance?

COURTNEY:  
They've done a few things, and there's a lot more detail about this in the [brief](https://www.sralab.org/research/labs/cror/news/policy-brief-value-rebalancing-long-term-services-and-supports) that's linked in the show notes, but CMS released an LTSS rebalancing toolkit to guide states in their rebalancing efforts. CMS also supports state rebalancing efforts through initiatives like Money Follows the Person, which is a demonstration that supports state efforts for rebalancing LTSS so that individuals have a choice of where they live and how they receive services.

MFP is a really popular program. To date, 41 states and territories have participated in MFP, and they've transitioned over 112,000 people to community living through this program. The federal government has also supported rebalancing through the courts.

The courts have supported requirements for community-based service delivery, like in the Olmstead case in 1928, where the courts held that public entities must provide home community-based services to people with disabilities.

SHARON:  
So how do states pay for long-term services and supports rebalancing initiatives?

COURTNEY:  
Money Follows the Person is a big one. A lot of states also chose to use American Rescue Plan Act, or ARPA, funds. These funds help states expand, strengthen, or enhance their HCBS. And then a lot of states chose to use their ARPA funds to implement HCBS system changes to improve rebalancing.

SHARON:  
So what data is available for comparing outcomes and experiences of people using institutional LTSS versus HCBS?

COURTNEY:  
There's not as much data available as we would hope.

The [National Core Indicators](https://www.nationalcoreindicators.org/) is a pretty big one. NCI offers multiple surveys to assess outcomes and experiences of people using LTSS. ADvancing States is one of the measure set stewards for [NCI - Aging and Disabilities](https://www.advancingstates.org/initiatives/national-core-indicators-aging-and-disabilities), or NCI-AD.

And this survey surveys older adults and people with disabilities. The results of this survey have shown that outcomes in domains such as community participation, access to the community, relationships, and choice and control often appear more favorable for individuals who live in community settings compared to institutional settings. And when I talk about these domains, I'm talking about measures like if a person gets to do things outside their home as much as they want to, if they have transportation to do the things that they want to, if they're able to see and talk to their friends and family, and if they feel in control of their life.

So there's also the HCBS Quality Measure Set, or QMS. This is a standardized set of quality measures that was developed for consistent data collection, and it aims to facilitate national comparisons and drive quality improvement across Medicaid HCBS programs.

SHARON:

So what else are states doing to rebalance their LTSS systems?

COURTNEY:  
States are doing a lot of different things.

I'm sure you've heard the phrase, if you've seen one Medicaid program, you've seen one Medicaid program. So each of these states are taking a different approach to rebalancing their Medicaid LTSS systems. There are two main buckets that I would say these efforts fall into.

The first is rebalancing strategies that precede Medicaid eligibility, and the second is strategies that support Medicaid-eligible individuals. So looking at preceding Medicaid eligibility, some states are investing in consumer education and no-wrong-door infrastructure. This promotes awareness of HCBS options, helps people get information, and connects them to the correct resources, services, and supports. Other states are developing pre-Medicaid or pre-LTSS supports that aim to delay the need for LTSS.

And then we're also seeing states who are working to improve HCBS eligibility processes so that HCBS is a more viable option for their state members. And then as far as supporting Medicaid-eligible individuals goes, we have seen that states are creating housing options for people to transition to or remain in once they leave an institutional setting. Affordable and accessible settings are really important.

We also see that states are using data to find people during transitions in care so that they can be diverted from LTSS and not institutionalized unnecessarily. States are also providing incentives to health plans and providers to maximize HCBS access and minimize costs.

SHARON:  
Let's talk a little bit about what a particular state is doing really well as far as rebalancing goes. I think Washington was one that you noted in an earlier conversation that is kind of exceptional in how it's rebalancing.

COURTNEY:  
Yeah, absolutely.

Washington is a national leader in HCBS. They're widely recognized for leading HCBS delivery and rebalancing. And notably, they deliver 73% of their LTSS through HCBS, which is well above the national average.

Washington has historically invested significantly in their HCBS infrastructure. They've invested in HCBS access and consumer education. They've also built a no-wrong-door system to simplify service entry and reduce system fragmentation.

And then Washington also offers support for people before they qualify for Medicaid to promote early intervention and lower health care costs. Washington has two innovative programs under its Section 1115 waiver, and both of them aim to delay or divert traditional Medicaid LTSS enrollment. The first program is called Medicaid Alternative Care, or MAC.

And instead of offering standard services, MAC provides a customized package of supports. It helps unpaid family caregivers continue to provide very much needed care to older adults and people with disabilities. It helps individuals remain in the home longer and reduces reliance on institutional care, which is the goal of rebalancing.

The second program is called Tailored Supports for Older Adults, TSOA. This service is very similar to MAC, but it targets individuals who are at risk for Medicaid LTSS and not yet financially eligible for Medicaid to prevent and delay Medicaid enrollment. Again, a very strong program that aligns with the goals of rebalancing.

So Washington's done a lot. They really are working hard to provide cost-effective, person-centered alternatives to institutionalization for older adults and people with disabilities in their state.

SHARON:  
Well, thank you so much, Courtney, for all the information on rebalancing.

It's an ongoing process, and it's going to take a long time to get to where we want to go, but it's good to hear about what's going on right now. So thank you so much for being on INside the OUTcomes.

COURTNEY:  
Thank you for having me.

SHARON:  
This has been Inside the Outcomes, a Rehabilitation Research Podcast. This podcast is supported by the National Institute on Disability, Independent Living and Rehabilitation Research. I'm your host, Sharon Parment, signing off.