



# Medicaid and Home Care

## Support Access to HCBS Services

### THE ASK

Congress should support policies that increase access to HCBS and reject those that threaten access, eligibility, funding, and coverage of these crucial benefits.

### TOPLINE

- HCBS provides a wide range of services including home health, rehabilitation, transportation, nutrition, and more which allow individuals to live in their homes and communities.
- Access is threatened by chronic underfunding, workforce shortages, and increasing regulatory and financial pressures.
- **Over 700,000 individuals** remain on waiver waiting lists, with average wait times of more than three years.<sup>1</sup>

1. <https://www.kff.org/medicaid/a-look-at-waiting-lists-for-medicaid-home-and-community-based-services-from-2016-to-2024/>

### RATIONALE

- **Chronic underfunding has resulted in lack of access to home care services.** An Alliance membership survey found that referral rejection rates were high, ranging from 64% for Private Duty Nursing and lowest 39% for skilled home health services. Nearly two-thirds of respondents reporting referral rejections cited low reimbursements and an inability to pay staff as a reason.<sup>2</sup>
- **HCBS providers depend on Medicaid reimbursement to employ and pay direct care workers.** Low reimbursements mean employees are undercompensated and nearly a third of these workers are Medicaid enrollees themselves.<sup>3</sup>
- **Significant regulatory and financial threats further threaten coverage and access to HCBS:** challenging state fiscal environments, coupled with new federal regulatory requirements and reduction in Federal funding will exacerbate existing financial challenges for providers and result in even greater access concerns for participants

2. <https://allianceforcareathome.org/wp-content/uploads/Fill-Rate-Survey-Write-up.pdf>

3. <https://www.missioncare.com/workforce-report-2025>

### BACKGROUND

- Services to older adults and people with disabilities represent **over 52%** of total Medicaid expenditures, and long-term care is **over 25%** of total Medicaid spending.
- Though these services appear costly, HCBS is proven to be a cost-effective alternative to institutionalization and hospital care, both of which are common negative outcomes when HCBS is unavailable.
- The optional nature of HCBS and the ability to cap enrollment and establish waiting lists creates additional vulnerabilities when Medicaid spending reductions and state budget shortfalls occur, as seen by prior state actions following the economic downturn of 2008.

### SOLUTION

- Care in the home is a proven model that reduces costs and is preferred by patients and families.
- An independent evaluation of Money Follows the Person, a grant program that transitioned individuals from institutional settings to the community, found that total spending on older adults decreased by 20 percent during the first year and 27 percent during the second year following their move to the community.

### BOTTOM LINE

Congress must protect access to HCBS so individuals and families can receive care in the setting they prefer: home.

#### FOR MORE INFORMATION, CONTACT

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