

A Blueprint for Reforming Medicaid Long-Term Services and Supports and Creating Caregiving Jobs

Immediate and longer-term recommendations for increasing access to home and community-based services (HCBS), reducing institutional bias in Medicaid long-term services and supports (LTSS), and creating good caregiving jobs:

1 | Increase Access to HCBS Through Financial Relief and Predictability for States

ISSUE: Medicaid accounts for 29% of total state spending across all funding sources, and LTSS is a substantial portion of this spend. This creates financial pressures, resulting in cuts to the Medicaid program during times of budget pressure, and reluctance to provide or expand services that are optional, such as HCBS LTSS.

IMMEDIATE RECOMMENDATIONS: Several policy and financing approaches (e.g., enhanced federal match for HCBS, state education on HCBS financial controls) increase access to HCBS by increasing funding and alleviating immediate state financial concerns.

LONGER-TERM RECOMMENDATIONS: Financing reform could include federalizing some portion of LTSS or creating a shared risk model between states and the federal government.

2 | Modernize Long-Standing Eligibility Policies That Make It Difficult to Receive Care in the Community and Home

ISSUE: Long-standing Medicaid eligibility policy creates a bias toward institutional care, making it difficult for individuals to remain in their home or the community when they have LTSS needs.

IMMEDIATE RECOMMENDATIONS: Several eligibility regulatory changes would increase access to HCBS and help ensure individuals have access to LTSS in the most appropriate setting of care.

LONGER-TERM RECOMMENDATIONS: National minimum eligibility standards applied across states would reduce inequity and improve access.

3 | Invest in the Direct Care Workforce

ISSUE: Direct care worker pay is relatively low and the work is demanding. Policymakers should take a comprehensive approach to fairly compensate; elevate; and retain, engage, and develop workers.

SHORT-TERM RECOMMENDATIONS: Increase the minimum wage, create a high-level HCBS and Direct Care Workforce coordinating office, make targeted investments in training, and launch a public service campaign to help address key workforce issues.

LONGER-TERM RECOMMENDATIONS: Improve jobs by enacting policies to support affordable childcare, healthcare, and paid sick leave; modernize training; and create a permanent federal Center for Direct Care Excellence.