

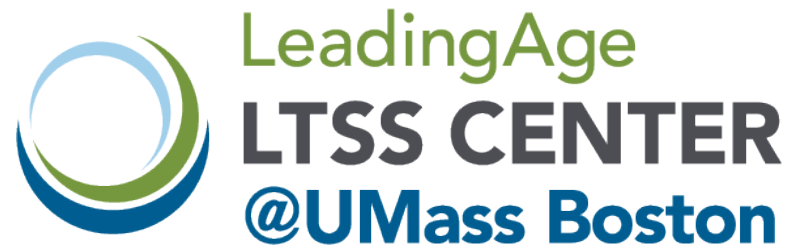


Impact of HCBS on Nursing Home use and Impact of HCBS Cutbacks on Beneficiaries living in the Community at a Nursing Home Level of Care

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Research bridging policy and practice

April 2025

Citation for Analytic Work and Support

Tavares, J. and Cohen, M. (2025). Impact of HCBS on Nursing Home use and Impact of HCBS Cutbacks on Beneficiaries living in the Community at a Nursing Home Level of Care. Analytic Brief, LeadingAge LTSS Center @UMass Boston, April. Web link: [Impact of HCBS Cutbacks on Nursing Home Care Utilization April 2025](#)

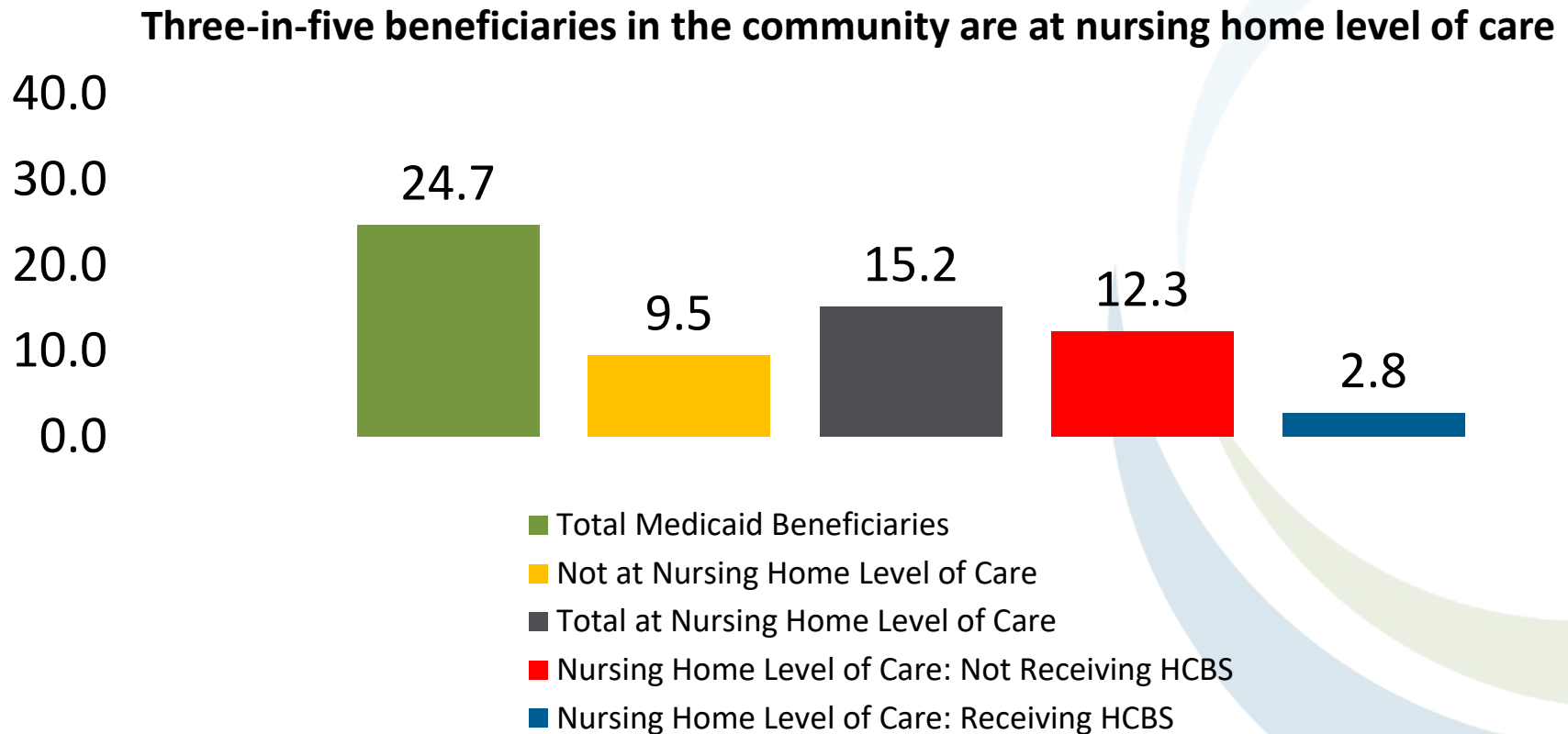
**This project was funded in part by a grant from the RRF
Foundation for Aging**

Among Medicaid Beneficiaries living in the Community who would qualify for Nursing Home Placement, how does Receipt of HCBS Impact Nursing Home Use?

Data and Method

- Data:
 - Health and Retirement [Study](#) for the year 2020 and also for longitudinal analysis from 2010-2020.
 - Kaiser Family Foundation [Data](#) March, 2025
- All analyses focus on community-dwelling Medicaid Beneficiaries age 50+ living in the community who have functional, cognitive and medical profiles similar to those in nursing homes. “*Nursing Home Level of Care*” is defined as having one or more of:
 - 3+ Chronic Conditions,
 - 3+ limitations in activities of daily living (ADLs), or
 - Severe Cognitive Impairment
- Compare two similarly impaired groups over the period:
 - Individuals who received any Home and Community Based Services (HCBS)
 - Individuals who did not receive any HCBS

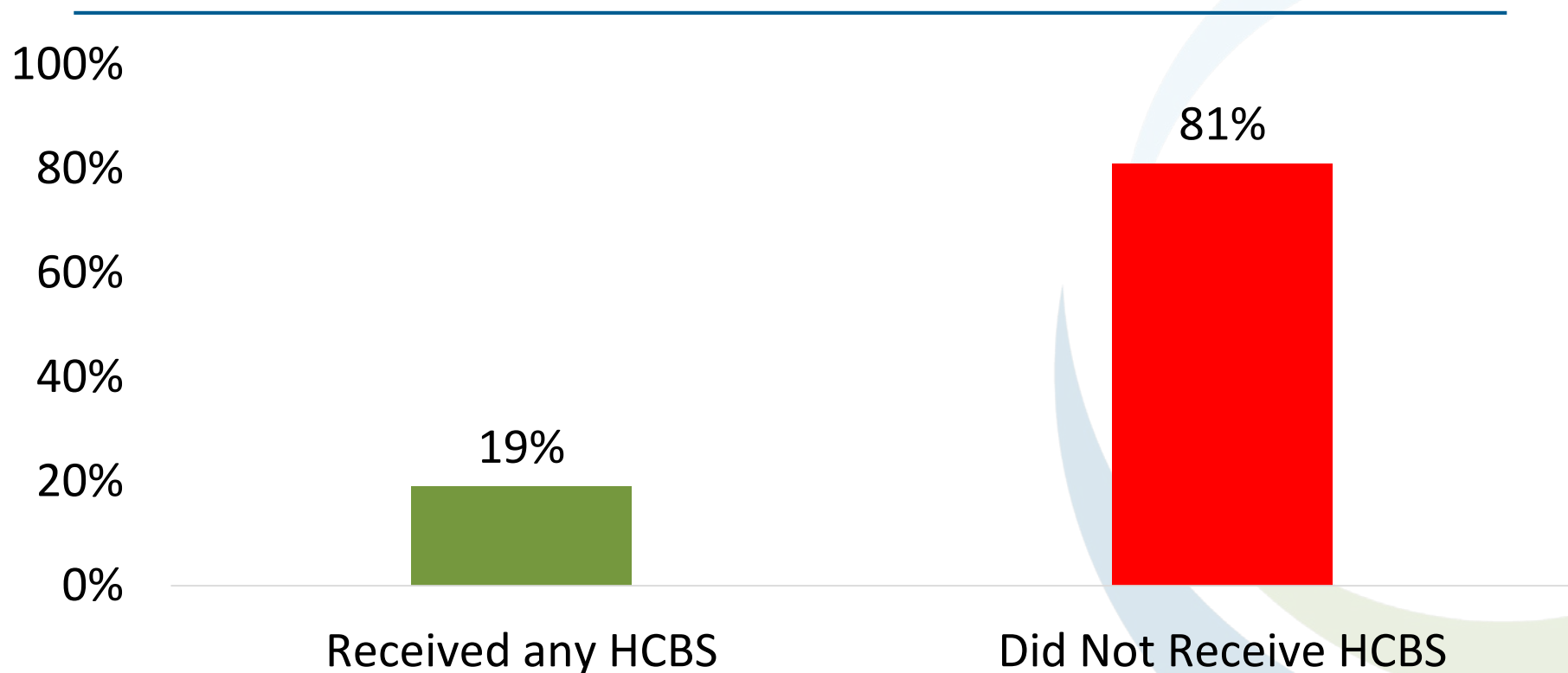
Distribution of Medicaid Beneficiaries Age 50+ living in the Community at a Nursing home level of care (millions) (2025)



Source: Authors calculations of HRS, 2020; KFF 2025.

Note: Nursing Home Disability Level: 3+ Chronic Conditions, 3+ limitations in activities of daily living (ADLs), or Severe Cognitive Impairment.

Most (81%) Medicaid Beneficiaries living in the Community at a Nursing home level of care do not use HCBS (2020)



Source: Authors calculations of HRS, 2020.

Note: Nursing Home Disability Level: 3+ Chronic Conditions, 3+ limitations in activities of daily living (ADLs), or Severe Cognitive Impairment

Medicaid Beneficiaries Age 50+ in the Community at a Nursing home level of care who use HCBS (two-year period 2018-2020)

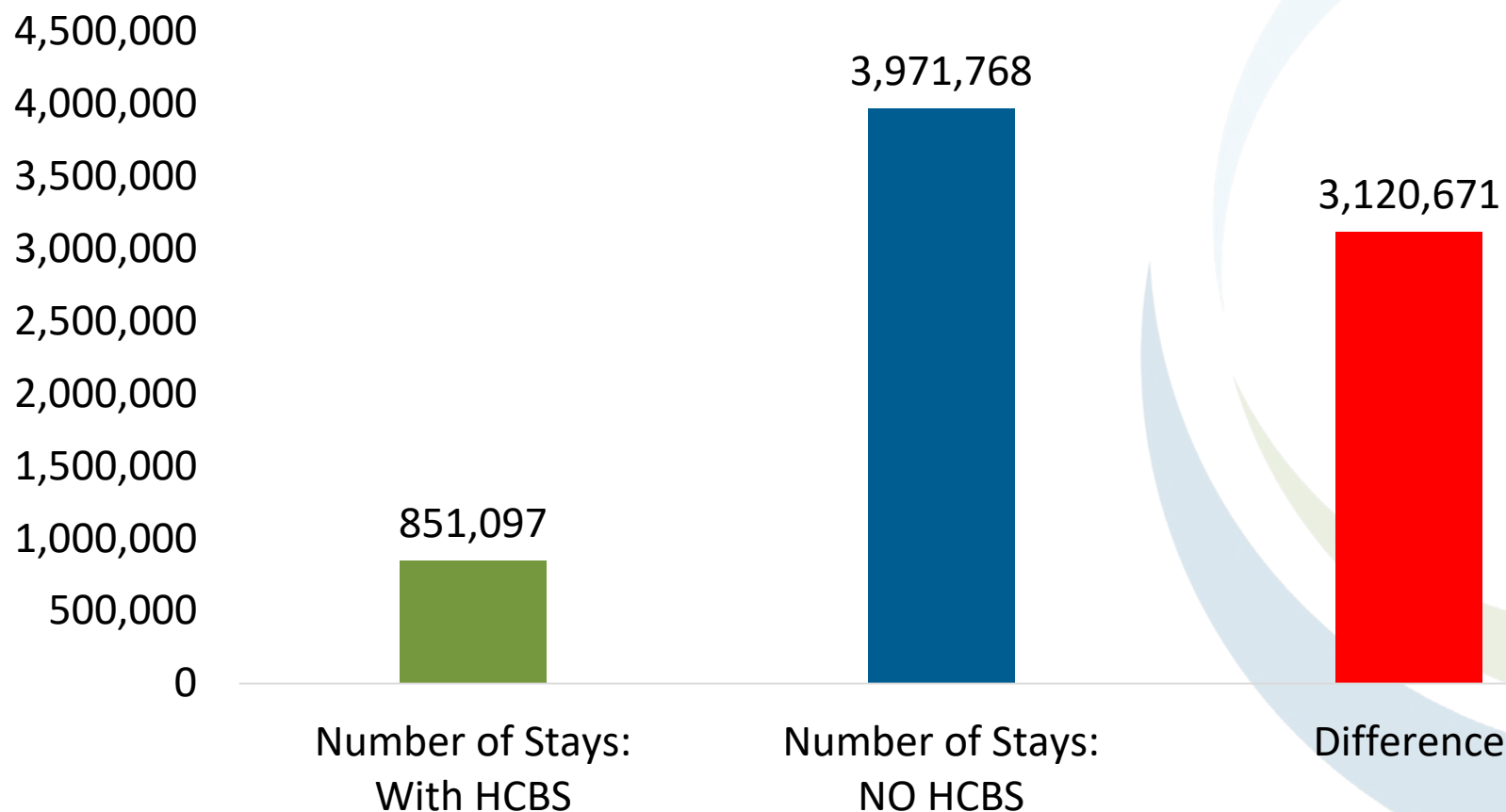
Those at nursing home level of care in the community who do not receive HCBS are 4.7 times more likely to have a nursing home stay.

Those at nursing home level of care in the community who do not receive HCBS spend 4.6 more days in the nursing home.

Parameter	Received HCBS	Did not Receive HCBS	Difference
Average Number of Nursing Home Stays	.3	1.4	1.1
Average Number of Nursing Home Days	2.8	7.4	4.6 days

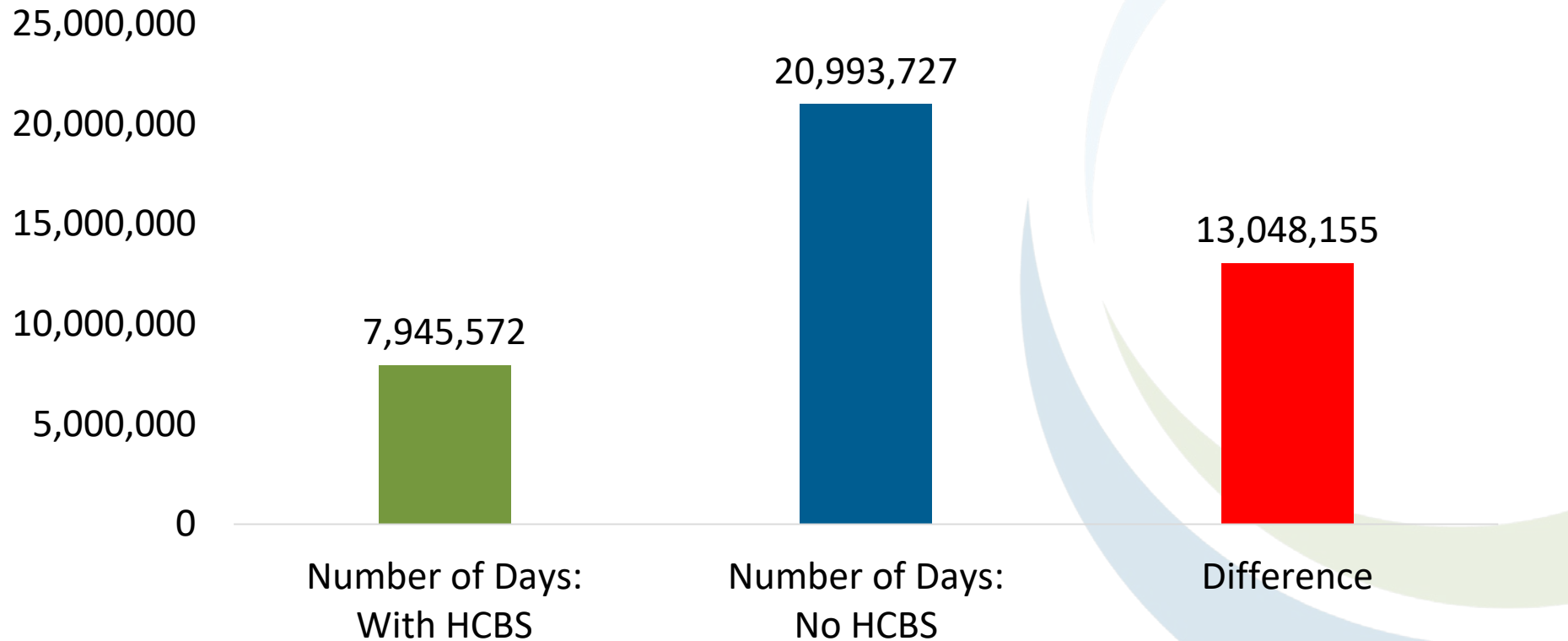
Source: Authors calculations of HRS, 2020.

In absence of Medicaid HCBS, 3.1 million additional stays in a nursing home over a two year period for those at nursing home level of care. (2025)



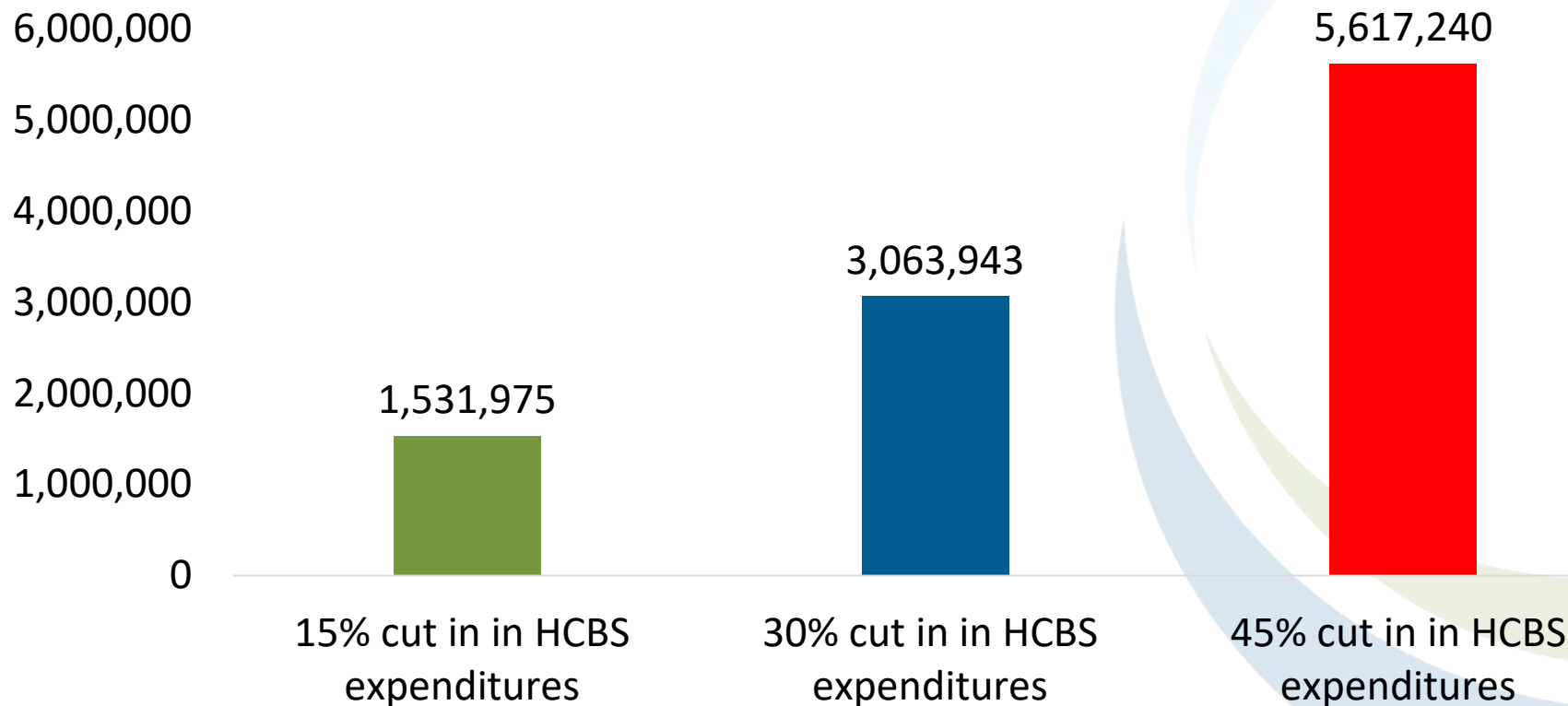
Source: Authors calculations of HRS, 2020. KFF, 2025

In absence of Medicaid HCBS, 13 million additional days in a nursing home over a two year period for those at nursing home level of care (2025).



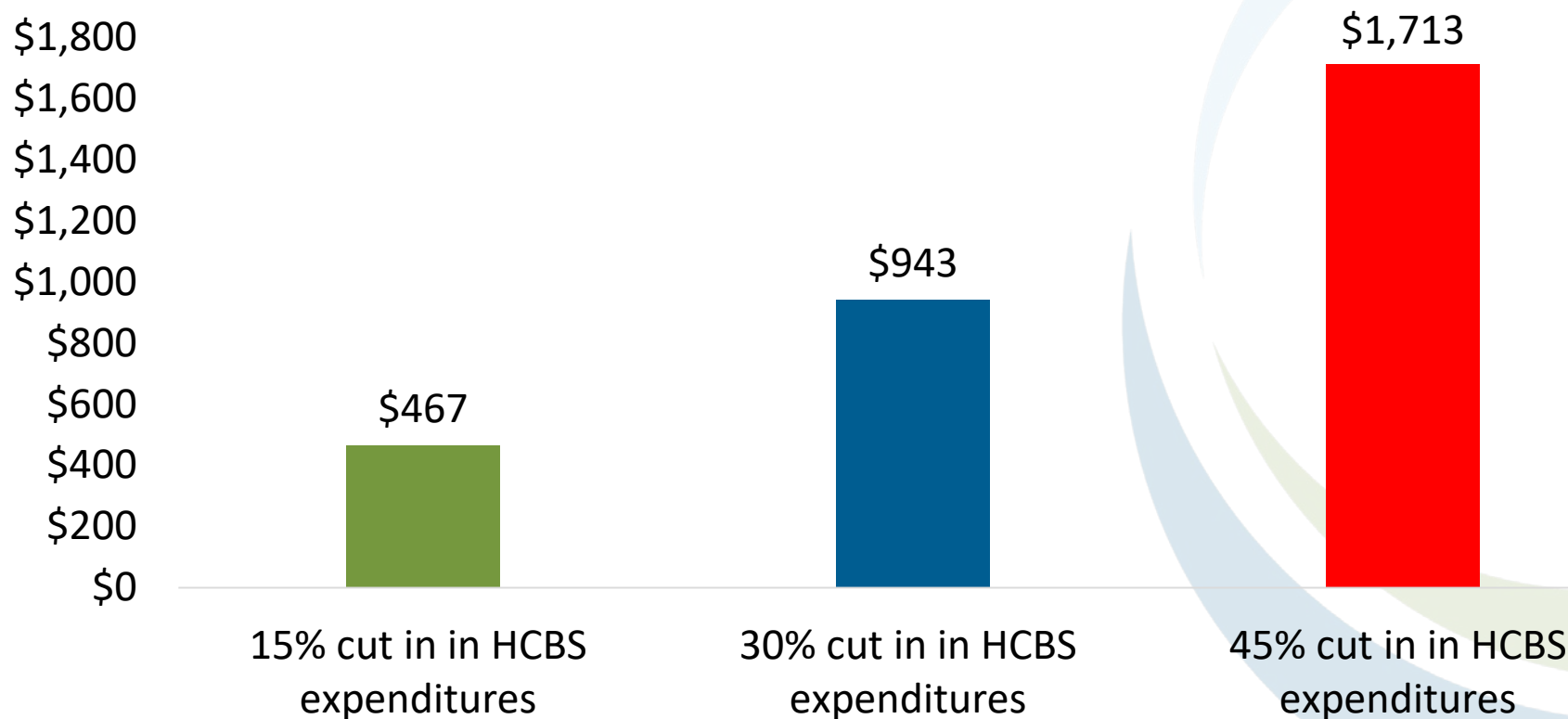
Source: Authors calculations of HRS, 2020. KFF, 2025.

Annual impact of a 15%, 30% and 45% cut-back in HCBS funding on the number of additional **days** of nursing home use for those at nursing home level of care (2025).



Source: Authors calculations and analysis of HRS, 2020. KFF, 2025.

Annual Impact of a 15%, 30% and 45% cut-back in HCBS funding on nursing home costs among those at nursing home level of care (millions)(2025).



Source: Authors calculations of HRS, 2020. KFF, 2025.

Summary Points

- Many current Medicaid HCBS users are at a level of functional, cognitive or medical disability similar to those in nursing homes which puts them at significant risk of having to go into a nursing home.
- Medicaid beneficiaries not using HCBS who are at a disability level equivalent to those in nursing homes are 4.7 times more likely to go into a nursing home over a two-year period and also spend more days on average (4.6) than their counterparts using HCBS.
- High likelihood that if access to HCBS is curtailed, nursing home use will likely increase, as those at a nursing home level of care will enter nursing homes earlier in the absence of HCBS.
- Depending on the magnitude of cuts to Medicaid HCBS, older adults at a nursing home level of care in the community will spend between 1.5 and 5.6 million more days in a nursing home per year at a cost of between \$.5 billion to \$1.7 billion annually.

What is the impact of Home and Community Based Services on Medicaid Beneficiaries in the Community who would qualify for Nursing Home Placement over a 10 year period?

Medicaid Beneficiaries Age 50+ in the Community at Nursing home level of care who use HCBS (ten-year period 2010-2020)

Parameter	Received HCBS (2010-2020)	Did not Receive HCBS (2010-2020)	Impact of having HCBS
Ever had a Nursing Home stay	25.3%	34.1%	25.8% Lower chance of nursing home use
Number of Nursing Home Stays	2.4	3.8	36.8% Fewer stays
Number of Nursing Home Days	189	333	43.2% Fewer days
Number of years in community until 1 st nursing home entry	6.1	5.0	22% More time spent in the community

Source: Authors calculations of HRS longitudinal dataset, 2010- 2020.

If there was no longer access to HCBS for Users at a Nursing Home Level of Care, what might we expect to see over the 10 Year period? (2025-2035)

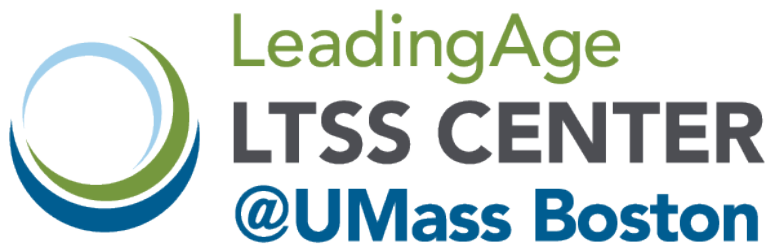
Parameter	Impact of losing HCBS
Average Increase in the number of Nursing Home Users	617,789
Number of additional stays people will spend in nursing homes	864,905
Number of additional days people will spend in nursing homes	89 million
Number of additional years of life spent out of the community and in a nursing home	2.6 million
Additional Nursing Home Expenditures over period due to increased nursing home utilization	\$32.7 billion

Source: Authors calculations of HRS longitudinal dataset, 2010- 2020 and KFF data, 2025.

Nursing home daily cost growth of 3.68% over period based on Genworth [Cost of Care](#) Surveys

Summary Points

- These are conservative estimates illustrating the minimum impact of a loss in HCBS coverage based on data between 2010-2020, where coverage expanded. Figures are based only on this sample projected forward. We know there are likely to be greater impacts due to related program and environmental changes that can't be estimated from a retrospective view of the data.
- A quarter of HCBS Users ended up using a nursing home over the 10 year period versus a third of non-HCBS Users.
- Among those who did end up using a nursing home, HCBS Users had significantly fewer stays and days in Nursing homes compared to non-HCBS Users.
- HCBS Users were able to stay in the community 1 year longer before having to use a Nursing home than were those who did not have access to HCBS.
- HCBS users spent more time in the community being at a nursing home level of care over the 10 year period than did their counterparts not using HCBS, again showing just how consequential HCBS is for helping people age in place.
- Despite HCBS Users being sicker for longer, they still live more time in the community prior to their first NH use than do non-HCBS users.



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