

Trends & Milestones

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Twenty-Five Years of Medicaid Home and Community Based Services (HCBS): Significant Milestones Reached in 2007

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The Medicaid Home and Community Based Services (HCBS) program was authorized on August 13, 1981. It permitted the Secretary of Health and Human Services to waive certain Medicaid re-

quirements so that states could receive federal Medicaid cost-share for “noninstitutional” services for Medicaid-eligible individuals who, without HCBS services, would remain in or be at a risk of being

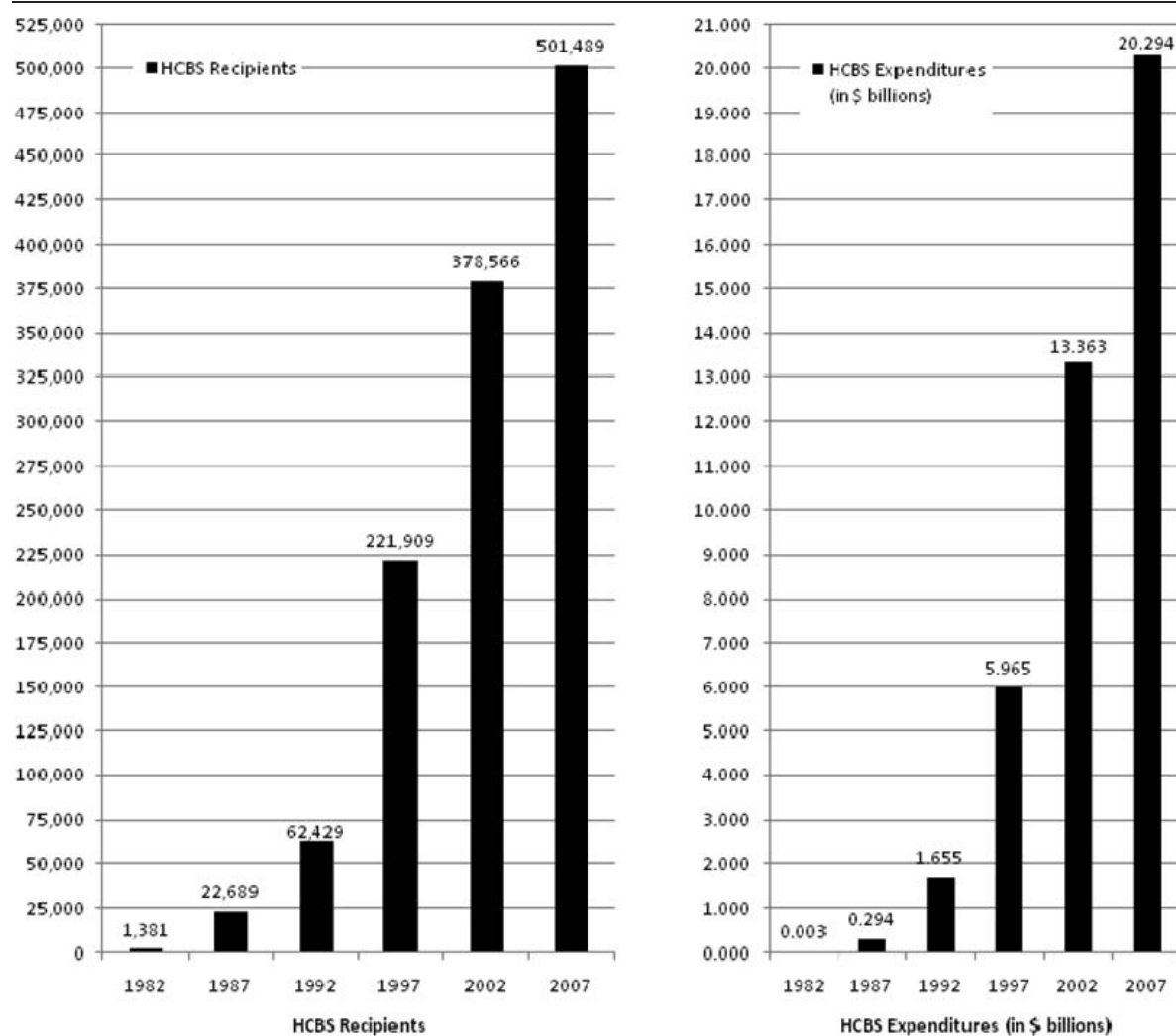


Figure 1 Changes in recipients and expenditures for Medicaid Home and Community Based Services (HCBS) for persons with intellectual and developmental disabilities, Fiscal Years (FYs) 1982–2007.

Table 1 Medicaid Home and Community Based Services (HCBS) Recipients and Expenditures, 1987-2007

| State | HCBS Recipients | | | | | | Expenditures (in \$1,000s) | | | | | |
|-------|-----------------|-------|--------|--------|--------|-------------------|----------------------------|----------|-----------|-----------|-------------|-------------------|
| | 1987 | 1992 | 1997 | 2002 | 2007 | % change 92-07 | 1987 | 1992 | 1997 | 2002 | 2007 | % change 92-07 |
| AL | 1,570 | 2,184 | 3,713 | 4,764 | 5,230 | 139.5 | 6,422.1 | 12,400.0 | 72,327.4 | 120,395.5 | 253,259.5 | 1,942.4 |
| AK | 0 | 0 | 353 | 884 | 1,011 | NA | 0.0 | 0.0 | 17,668.5 | 51,865.8 | 70,954.8 | NA |
| AZ | 0 | 4,832 | 8,508 | 13,471 | 19,066 | 294.6 | 0.0 | 98,716.4 | 203,897.5 | 386,529.1 | 556,449.7 | 463.7 |
| AR | 0 | 415 | 496 | 2,494 | 3,342 | 705.3 | 0.0 | 11,250.0 | 12,063.3 | 53,076.9 | 91,379.8 | 712.3 |
| CA | 3,027 | 3,360 | 37,478 | 44,205 | 73,024 | 2,073.3 | 42,499.5 | 54,048.9 | 355,246.0 | 853,788.1 | 1,532,880.0 | 2,736.1 |
| CO | 1,389 | 2,204 | 4,276 | 6,516 | 7,148 | 224.3 | 18,015.8 | 60,191.5 | 133,282.5 | 205,028.1 | 268,080.3 | 345.4 |
| CT | 0 | 1,693 | 3,371 | 5,890 | 7,692 | 354.3 | 0.0 | 83,575.0 | 222,364.1 | 386,546.5 | 454,124.5 | 443.4 |
| DE | 81 | 290 | 379 | 547 | 788 | 171.7 | 851.3 | 5,105.1 | 16,279.2 | 34,181.4 | 75,089.8 | 1,370.9 |
| DC | 0 | 0 | 0 | 225 | 1,090 | NA | 0.0 | 0.0 | 0.0 | 1,647.8 | 19,678.0 | NA |
| FL | 2,631 | 2,637 | 11,399 | 25,921 | 31,425 | 1,091.7 | 11,636.2 | 20,246.0 | 131,804.8 | 496,921.3 | 908,572.0 | 4,387.7 |
| GA | 0 | 359 | 2,332 | 9,826 | 9,194 | 2,461.0 | 0.0 | 10,250.0 | 63,126.6 | 286,389.8 | 263,542.3 | 2,471.1 |
| HI | 56 | 452 | 560 | 1,560 | 2,481 | 448.9 | 541.5 | 4,385.2 | 11,720.9 | 34,727.5 | 97,000.0 | 2,112.0 |
| ID | 55 | 225 | 434 | 1,139 | 2,015 | 795.6 | 0.0 | 1,188.0 | 9,996.5 | 27,804.3 | 60,937.2 | 5,029.4 |
| IL | 664 | 2,006 | 5,400 | 6,787 | 12,800 | 538.1 | 11,732.1 | 79,600.0 | 116,000.0 | 140,200.0 | 416,200.0 | 422.9 |
| IN | 0 | 0 | 1,067 | 3,802 | 9,976 | NA | 0.0 | 0.0 | 33,300.6 | 198,630.0 | 402,596.5 | NA |
| IA | 4 | 137 | 3,932 | 6,228 | 12,751 | 9,207.3 | 0.0 | 773.5 | 48,271.5 | 127,081.3 | 275,727.5 | 35,546.7 |
| KS | 135 | 555 | 3,872 | 6,239 | 7,195 | 1,196.4 | 637.7 | 13,737.3 | 93,518.7 | 189,358.1 | 247,333.7 | 1,700.5 |
| KY | 609 | 819 | 1,040 | 1,807 | 3,033 | 270.3 | 12,011.7 | 19,821.0 | 29,429.6 | 91,755.9 | 163,060.2 | 722.7 |
| LA | 0 | 939 | 2,048 | 4,232 | 6,915 | 636.4 | 0.0 | 1,785.0 | 44,291.4 | 129,015.1 | 258,219.9 | 14,366.1 |
| ME | 400 | 509 | 1,078 | 2,440 | 2,781 | 446.4 | 6,545.3 | 13,250.0 | 60,066.6 | 136,460.6 | 230,661.5 | 1,640.8 |
| MD | 685 | 1,972 | 3,392 | 6,768 | 10,294 | 422.0 | 25,265.4 | 72,326.5 | 140,673.4 | 404,949.7 | 495,385.5 | 584.9 |
| MA | 593 | 3,288 | 8,027 | 11,315 | 11,962 | 263.8 | 63,819.9 | 90,000.0 | 280,000.0 | 483,391.2 | 703,360.7 | 681.5 |
| MI | 3 | 2,741 | 6,199 | 8,550 | 7,714 | 181.4 | 79.8 | 81,039.0 | 162,808.5 | 538,108.5 | 316,274.0 | 290.3 |
| MN | 1,423 | 2,890 | 6,097 | 14,735 | 14,593 | 404.9 | 13,382.5 | 95,380.7 | 260,223.2 | 699,687.0 | 889,902.0 | 833.0 |
| MS | 0 | 0 | 231 | 1,673 | 1,978 | NA | 0.0 | 0.0 | 631.0 | 20,699.3 | 39,460.6 | NA |
| MO | 0 | 2,241 | 6,282 | 8,143 | 8,396 | 274.7 | 0.0 | 65,792.0 | 155,017.9 | 235,897.0 | 379,435.3 | 476.7 |
| MT | 210 | 444 | 891 | 1,452 | 2,242 | 405.0 | 4,131.5 | 10,826.7 | 22,500.0 | 42,005.4 | 68,411.7 | 531.9 |
| NE | 0 | 710 | 2,010 | 2,419 | 3,304 | 365.4 | 0.0 | 25,521.6 | 58,901.0 | 108,402.2 | 140,171.5 | 449.2 |
| NV | 129 | 136 | 374 | 1,083 | 1,372 | 908.8 | 1,541.6 | 2,400.0 | 4,877.3 | 24,367.3 | 61,584.6 | 2,466.0 |

Table 1 Continued

| State | HCBS Recipients | | | | | Expenditures (in \$1,000s) | | | | | % change 92-07 |
|----------|-----------------|--------|---------|---------|---------|----------------------------|-----------|-------------|--------------|--------------|-------------------|
| | 1987 | 1992 | 1997 | 2002 | 2007 | 1987 | 1992 | 1997 | 2002 | 2007 | |
| NH | 541 | 1,059 | 2,063 | 2,779 | 3,339 | 215.3 | 44,400.0 | 89,427.2 | 117,921.6 | 143,208.7 | 222.5 |
| NJ | 2,596 | 3,971 | 5,705 | 7,486 | 9,923 | 149.9 | 108,600.7 | 180,066.0 | 402,988.0 | 496,612.0 | 357.3 |
| NM | 220 | 334 | 1,603 | 2,794 | 3,711 | 1,011.1 | 8,829.0 | 46,295.3 | 157,256.0 | 247,597.4 | 2,704.4 |
| NY | 0 | 379 | 29,019 | 48,165 | 56,401 | 14,781.5 | 0.0 | 34,496.2 | 1,114,422.8 | 3,449,069.1 | 9,898.4 |
| NC | 328 | 939 | 3,726 | 6,013 | 9,309 | 891.4 | 3,129.6 | 13,833.4 | 106,199.2 | 377,746.6 | 2,630.7 |
| ND | 724 | 1,334 | 1,792 | 2,011 | 3,535 | 165.0 | 6,543.0 | 30,176.0 | 47,531.2 | 71,823.5 | 278.5 |
| OH | 100 | 397 | 2,646 | 7,858 | 16,362 | 4,021.4 | 661.0 | 12,824.0 | 245,009.4 | 660,978.4 | 5,054.2 |
| OK | 70 | 949 | 2,497 | 4,100 | 5,308 | 459.3 | 516.3 | 39,375.3 | 222,356.1 | 253,400.5 | 543.6 |
| OR | 832 | 1,458 | 2,586 | 8,017 | 10,287 | 605.6 | 8,782.6 | 58,604.3 | 361,704.8 | 385,761.7 | 558.2 |
| PA | 1,203 | 2,705 | 8,931 | 24,969 | 26,558 | 881.8 | 35,639.6 | 415,399.5 | 977,487.2 | 1,199,738.8 | 797.5 |
| RI | 136 | 993 | 2,178 | 2,674 | 3,126 | 214.8 | 5,627.0 | 14,366.8 | 160,859.5 | 245,521.0 | 1,608.9 |
| SC | 0 | 471 | 3,412 | 4,793 | 5,186 | 1,001.1 | 0.0 | 4,961.0 | 142,500.0 | 185,700.0 | 3,643.2 |
| SD | 596 | 852 | 1,457 | 2,295 | 2,609 | 206.2 | 6,380.7 | 38,738.7 | 58,935.2 | 81,944.6 | 404.1 |
| TN | 213 | 704 | 3,293 | 4,340 | 7,244 | 929.0 | 1,824.0 | 14,431.1 | 205,313.6 | 525,963.5 | 3,544.6 |
| TX | 70 | 968 | 4,753 | 7,873 | 16,301 | 1,584.0 | 1,750.0 | 39,754.6 | 321,670.6 | 566,475.1 | 1,324.9 |
| UT | 0 | 1,367 | 2,315 | 3,589 | 4,003 | 192.8 | 0.0 | 23,000.0 | 88,991.0 | 113,867.0 | 395.1 |
| VT | 196 | 413 | 1,372 | 1,844 | 2,200 | 432.7 | 4,785.7 | 14,154.2 | 74,856.2 | 109,071.3 | 670.6 |
| VA | 0 | 537 | 1,764 | 5,491 | 7,523 | 1,300.9 | 0.0 | 15,974.6 | 198,911.2 | 394,326.0 | 2,368.5 |
| WA | 886 | 1,918 | 6,643 | 11,173 | 9,317 | 385.8 | 13,503.4 | 39,973.5 | 214,490.5 | 315,623.8 | 689.6 |
| WV | 124 | 513 | 1,441 | 2,796 | 3,852 | 650.9 | 863.0 | 13,200.0 | 120,217.7 | 203,371.1 | 1,440.7 |
| WI | 190 | 1,812 | 6,558 | 10,884 | 12,504 | 590.1 | 3,424.4 | 39,078.2 | 297,750.6 | 439,299.1 | 1,024.2 |
| WY | 0 | 318 | 916 | 1,507 | 2,079 | 553.8 | 0.0 | 12,508.0 | 56,956.5 | 87,040.9 | 595.9 |
| US Total | 22,689 | 62,429 | 221,909 | 378,566 | 501,489 | 703.3 | 293,938.7 | 1,654,856.8 | 13,362,760.4 | 20,293,873.6 | 1,126.3 |

Note. NA = not applicable (not calculable).

placed in a Medicaid nursing facility or Intermediate Care Facility for persons with Mental Retardation (ICF/MR). The Medicaid HCBS waiver program permits states to provide a wide variety of community services to people with intellectual and developmental disabilities, including service coordination, in-home supports, vocational and day services, respite care, and other services, to reduce the use of and per person expenditures for ICFs/MR. Fiscal Year (FY) 1982 was the first year in which states could apply to use the new HCBS option. At the end of state FY 1982 (June 30, 1982), only two states (Montana and Oregon) offered HCBS to persons with intellectual and developmental disabilities, with only 1,381 total service recipients. From those 1,381 persons and \$2.9 million in total FY 1982 expenditures, by the end of FY 1992, the HCBS program grew to 62,429 recipients and \$294 million in expenditures. In that first decade of the program, HCBS program growth was substantially restricted by regulatory requirements that states demonstrate reductions in projected ICF/MR use and expenditures roughly equal to the requested increases in HCBS participants and expenditures.

In the early 1990s, these controls on HCBS expansion were considerably relaxed and, then, in 1994 were dropped completely in the revised HCBS regulations. As shown in Figure 1, in the following years, HCBS recipients and expenditures grew rapidly and steadily. Between June 30, 1992, and June 30, 1997, recipients increased by about 159,500 persons and expenditures by about \$4.3 billion. Between 1997 and 2002, recipients increased by about 156,700 persons and expenditures by about \$7.4 billion. Between 2002 and 2007, service recipients increased by about 122,900 persons and expenditures

by about \$6.9 billion. Nationally, FY 2007 HCBS programs for persons with intellectual and developmental disabilities passed two milestones. On June 30, 2007, state HCBS programs in the aggregate were supporting for the first time more than 500,000 (501,489) individuals with intellectual and developmental disabilities. FY 2007 was also the first year in which state and federal HCBS expenditures exceeded \$20 billion (\$20.294 billion). Table 1 provides data on these trends for HCBS recipients and expenditures for each of the individual states (1982 is excluded from the table because only two states participated in FY 1982).

Table 1 shows that, in every state, the number of HCBS recipients more than doubled between 1992 and 2007, with the 10 most slowly growing states increasing by 139% to 224% and the 10 most rapidly growing states growing by more than 1,000% (excluding the 4 states with no HCBS recipients in 1992). Table 1 also shows the growth in HCBS expenditures by state between 1992 and 2007. During that period, only 12 states had increases in total HCBS expenditures of less than 500%, with none less than 200%. In contrast, 23 states reported 2007 HCBS expenditures that were more than 10 times greater than their expenditures in 1992. By the end of FY 2007, the HCBS program was financing services for 5.2 times as many persons with intellectual and developmental disabilities than the ICF/MR program for which it was developed as an alternative 25 years earlier. (Source: Prouty, R., & Lakin, K. C. (Eds.). (2008). *Residential services for persons with developmental disabilities: Status and trends through 2007*. Minneapolis: University of Minnesota, Research and Training Center on Community Living/ICI).