

State Studies Find Home and Community-Based Services to Be Cost Effective

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The vast majority of people who need long-term services and support want to live in their own homes and communities as long as possible. States have made progress in providing greater access to home and community-based services (HCBS) for people with low incomes.

This research collected state studies about the cost effectiveness of HCBS. The 38 studies, published from 2005 to 2012, include state-specific analyses by public and other organizations. Major findings:

- The studies that evaluated the cost effectiveness of HCBS supported Medicaid balancing and other efforts to move more resources toward home and community services rather than institutional care.
- The studies consistently showed lower average costs per individual for HCBS compared to institutional care. In California, for example, spending on nursing home care per person was three times higher than for HCBS—\$32,406 for nursing facility care versus \$9,129 for HCBS in 2008.
- The findings show cost reductions by diverting people from nursing home care to HCBS. In Nevada, the monthly average number of older adults who opted for HCBS waivers grew 58 percent from 2001 to 2007, while the nursing home caseload decreased 8.5 percent.

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