



Massachusetts Developmental Disabilities Council (MDDC)

Medicaid HCBS Fact Sheet



Home and Community-Based Services (HCBS) are long-term services and supports that allow people with disabilities and aging adults to live and thrive in their communities, rather than in institutions.¹

Medicaid is the largest funder of long-term supports and services (LTSS), including HCBS, in the United States.

Medicaid funds LTSS for approximately 6.4 million people in the United States. Over 78% of these people are receiving services, like HCBS, in community settings. In Massachusetts, of the nearly 176,000 people who receive LTSS, 82% are receiving services in their communities.²

With Medicaid funding, state agencies administer HCBS through various waiver programs. This includes 1915(c) waivers which provide HCBS for people with a documented support need that qualifies as institutional-level care.³

Medicaid-funded HCBS promote independence and quality of life.



- HCBS are not one service or program.
- HCBS include a variety of LTSS such as daily living support from personal care attendants (PCAs) and direct support professionals (DSPs), supported employment and job coaching, accessible transportation, and assistive technologies.¹

- These supports promote self-determination, independence, and make community living and inclusion possible.^{3,4}

Medicaid-funded HCBS strengthen communities and families.

- HCBS help keep families together by providing in-home supports and reducing caregiver burnout.⁵
- They create opportunities for people with intellectual and developmental disabilities (IDD) to work, volunteer, and participate in community life.⁶
- Local economies benefit when people with disabilities are active, engaged citizens.



Medicaid has an **institutional bias**.

- Centers for Medicare and Medicaid Services' (CMS) regulations require that Medicaid covers the cost of institutional care, these services are mandatory. Medicaid does not make states pay for HCBS.⁷
- This “institutional bias” is a relic from the past, when authorities believed that people with IDD did not have the capacity to live meaningful lives.
- Now we know better—people with IDD thrive and give back to their communities with the right supports.⁸
- Evidence shows that HCBS are more cost-effective and help people live better lives.⁹
- However, because HCBS are optional services and states are not required to fund them, many people are on waiting lists for these supports across the United States.
- Approximately **480,000, or 75%**, of people on waiting lists for 1915(c) waivers were adults with IDD.^{10,11}
- This institutional bias also means that cuts to Medicaid affect optional benefits, like HCBS, the most.
- The demand for HCBS Medicaid services is increasing due to the aging population and people who experience IDD. Institutional Medicaid services are declining because Americans want to age in place and live in the community. HCBS helps increase quality of life and reduce the reliance on costly institutional care.^{12,13}

Cuts to Medicaid **are cuts to HCBS**.

- The One Big Beautiful Bill Act (OBBBA/OB3) became Public Law 119-21 in July 2025.
- This law cuts **\$1 trillion** from Medicaid funding that all states rely on to administer Medicaid-funded services. This significant reduction in federal Medicaid funding means all states will face tighter budgets.¹⁴
- History has shown that optional Medicaid services like HCBS are often the first to be cut because states must prioritize mandatory Medicaid benefits.^{4,14,15}
- Individual states will respond to these cuts differently. For example, some states may enforce strict work or reporting requirements for people to maintain access to Medicaid.¹⁴ People with IDD may get fewer opportunities or supports because of where they live.
- For example, some states have begun to reduce HCBS. Idaho has proposed legislation to eliminate optional HCBS Medicaid services.^{17,18}

Cuts to Medicaid have real human costs.

- Medicaid provides healthcare and long-term services and supports for over **10 million** children and adults with disabilities, and funds **77%** of essential services for people with IDD.¹⁹
- Everyone faces loss without HCBS. Many people with IDD could be forced to live in institutional settings, losing autonomy and opportunities to engage in the community.¹⁹
- Our country, in turn, could lose the plentiful contributions that people with IDD make daily to their families, neighbors, and communities.

Access to community living is a right affirmed by the **Americans with Disabilities Act (ADA)** and the **Olmstead decision**. Preserving HCBS ensures compliance with these protections and **honors the principle that people with disabilities should live where and how they choose.**²⁰



Collette Divitto
Colletley's Cookies



Craig Heller
Market Basket



Alana Russo
Bitty & Beau's Cafe



Matthew Bander
Star Market

About the MDDC

The MDDC is an independent agency, funded by the federal government, dedicated to empowering people with developmental disabilities and their families to enjoy full productive lives by promoting self-sufficiency, community inclusion & opportunity.

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