Weathering the Storm: The Impact of the Great Recession on Long-Term Services and Supports

Thirty-one states cut non-Medicaid aging and disability services programs in fiscal year (FY) 2010, with more than half of the states reporting increased demands for information and referrals, home-delivered meals, respite, case management, personal care assistance, family caregiver support, transportation, and homemaker services. Twenty-eight states anticipated making cuts to these programs in FY 2011, when an end to American Recovery and Reinvestment Act stimulus funding will put fiscal pressure on state Medicaid budgets.

This In Brief summarizes a research report, Weathering the Storm: The Impact of the Great Recession on Long-Term Services and Supports, written by the AARP Public Policy Institute, the National Association of States United for Aging and Disabilities, and Health Management Associates.

The report presents the findings from a survey of all 50 states and the District of Columbia in the summer of 2010. State Units on Aging and Medicaid agencies responded with information and data on programs for older individuals and adults with physical disabilities. Forty-nine states and the District of Columbia responded to the survey.

States Cut Services

The recession remains a sustained and growing concern for the state agencies. States have used many administrative tools to curtail expenditures. At the same time, demand for publicly funded services has grown, and resources, including staff, are stretched thin.

Thirty-one states cut aging and disability services programs (non-Medicaid) in FY 2010. Twenty-eight states were expecting to cut these programs in FY 2011. Fewer states made cuts to Medicaid programs; most Medicaid cuts targeted provider rates. A handful of states, however, imposed cuts to services, most notably personal care services.

Requests for services increase during a recession because people have less income and therefore qualify for government programs. More than half of the states reported increased demands for information and referrals, home-delivered meals, respite, case management, personal care assistance, family caregiver support, transportation and homemaker services in FY 2010.

Balancing Remains a Priority

The good news is that many states are using the economic downturn as an opportunity to balance services between institutional and noninstitutional settings. States continued to serve a greater number of Medicaid recipients with long-term service support (LTSS) needs in their homes or communities. Of 41 responding states, 35 reported that home and community-based services (HCBS) census increased in 58 waivers
The election of 26 new governors is likely to shift state aging and disability policy in a record number of states. The new leadership at the state level will extend to the appointment of key personnel in state Health and Human Service agencies, state Medicaid agencies, and other state departments. This turnover in the states may slow efforts to achieve HCBS goals as the new leadership confronts budget issues and gets up to speed.

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