

State Medicaid Director Letter #22-003 Header and Introduction

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



SMD# 22-003
**RE: Home and Community-Based
Services Quality Measure Set**

July 21, 2022

Dear State Medicaid Director:

The Centers for Medicare & Medicaid Services (CMS) and states have worked for decades to support increased availability and provision of high-quality Home and Community-Based Services (HCBS) for Medicaid beneficiaries. HCBS provide individuals who need assistance with everyday activities the opportunity to receive services (such as personal care, homemaker, and adult day health services) in their own homes or the community as opposed to institutional settings. This State Medicaid Director Letter provides information on a set of nationally standardized quality measures for Medicaid-funded HCBS that is intended to promote more common and consistent use within and across states of such nationally standardized quality measures in HCBS programs, create opportunities for CMS and states to have comparative quality data on HCBS programs, and drive improvement in quality of care and outcomes for people receiving HCBS.

Key Excerpts from Letter

- **This State Medicaid Director Letter provides information on a set of nationally standardized quality measures for Medicaid-funded HCBS** that is intended to promote more common and consistent use within and across states of such nationally standardized quality measures in HCBS programs, create opportunities for CMS and states to have comparative quality data on HCBS programs, and drive improvement in quality of care and outcomes for people receiving HCBS.
- As a result of state and federal efforts to expand access to HCBS, **Medicaid spending on HCBS now exceeds spending on institutional services**. For instance, in fiscal year (FY) 1990, HCBS expenditures accounted for only 13 percent of the \$31 billion in federal and state expenditures for all Medicaid LTSS, including nursing home expenditures. **By FY 2020, HCBS expenditures accounted for \$125 billion, or 62 percent, of the \$199 billion spent nationally on Medicaid LTSS.**
- A 2016 NQF report commissioned by HHS, “Quality in Home and Community-Based Services to Support Community Living: Addressing Gaps in Performance Measurement,” indicates that, **unlike other types of health care services, “HCBS lacks any standardized set of quality measures...[and] consensus as to what HCBS quality entails.”**
- **Consistent with Executive Order 13985, Advancing Racial Equity and Support for Underserved Communities, CMS defines health equity as** “the attainment of the highest level of health for all people, where everyone has a fair and just opportunity to attain their optimal health regardless of race, ethnicity, disability, sexual orientation, gender identity, socioeconomic status, geography, preferred language, or other factors that affect access to care and health outcomes.
- The HCBS Quality Measure Set addresses a critical gap related to HCBS quality. **The measure set is intended to support states with improving the quality and outcomes of HCBS and can play an important role in states’ efforts to promote equity in their HCBS programs.**