

Leveraging American Rescue Plan Act Investments to Drive Lasting Transformation for People with Complex Needs

The COVID-19 pandemic, its economic impacts, and the deep racial and ethnic disparities it exposed have highlighted the opportunity – and the urgency – for the nation to strengthen and transform the delivery of long-term services and supports (LTSS) to individuals. LTSS includes residential care that is provided in nursing facilities and intermediate care facilities. It also includes services and supports that allow people to live more independently and in their community, such as in assisted living facilities and in the home. Medicaid is a foundational element of the nation’s LTSS system. It provides these services to older adults with low incomes, children with complex health needs, children and adults with intellectual and developmental disabilities, and adults with complex physical and/or cognitive needs. These are vital services for millions of people to ensure their independence and wellbeing. In total, Medicaid provides more than half of the nation’s LTSS spending.¹ To meet the needs of those they serve, Medicaid programs across the country are grounded and driven by the principle of person-centeredness: Putting the person and their unique needs at the center of service planning and delivery.

In summer 2021, NAMD convened an Executive Working Group of state Medicaid LTSS experts and national thought leaders to identify a framework of options that states could use to respond to this opportunity to improve and strengthen these services. This framework explores how states can meet the needs of individuals so they can maximize their health and thrive in the community of their choosing. It focuses on four opportunities for action now:

Four Opportunities for Action



1. Build and strengthen the long-term services and supports workforce.

2. Assist and strengthen individuals’ natural supports.



3. Promote the adoption of telehealth and assistive technology to support independence, health, and safety.

4. Advance person-centered outcomes and quality through innovative payment approaches.



The disruption caused by the pandemic, as well as new federal investments, have created an urgent opportunity for states to stabilize and transform service delivery and strengthen the systems that support long-term services and supports. Without urgent action, individuals may lack access to needed services and supports, and states could miss this opportunity for true transformation and the system could continue to be one that is institutional care-biased and fragmented.

¹ [2020 Medicaid and CHIP Beneficiary Profile: Characteristics, Health Status, Access, Utilization, Expenditures, and Experience](#). Centers for Medicare and Medicaid Services. August 2021. [Medicaid Long Term Services and Supports Annual Expenditures Report, Federal Fiscal Years 2017 and 2018](#). Centers for Medicare and Medicaid Services. January 7, 2021.