

## Medicaid Self-Directed Care Services

### Giving Individuals More Choice While Supporting Family Caregivers

Medicaid's self-directed care services allow older adults and people with disabilities to choose who provides their care, when the care is provided and where that care is delivered. As part of Medicaid's home- and community-based services (HCBS), self-direction helps people retain their dignity and independence by remaining in their homes and communities rather than entering costly institutional settings.<sup>1</sup>

Since the 1999 Supreme Court decision in *Olmstead v. L.C.*, federal policy has increasingly supported the right of people with disabilities to live in the least restrictive setting possible.<sup>2</sup> Self-directed care advances that goal by giving individuals more control while also supporting family caregivers who provide much of the nation's long-term care.

**Self-directed care stands out as one of Medicaid's most cost-effective and human-centered policies. The positive impact of this program is worth safeguarding through smart enforcement and integrity tools.**

### What is Self-Directed Care?

Self-directed care is a Medicaid service option that allows individuals who need long-term services and support to have greater control over their care. Instead of receiving services only through a home care agency, individuals can:

Help decide who provides their care.

Decide when services are delivered.

Decide how available funding is used to meet their daily needs.

In many states, this can include hiring a trusted family member or friend as a paid caregiver.<sup>3</sup> Particularly in rural communities with fewer medical services and professional home care services, it is crucial to be able to hire family, friends, or neighbors to help prepare meals, eat, bathe, dress, and provide transportation to medical appointments.



## Why Does It Matter for Family Caregivers?

By recognizing family caregivers as essential partners in care, self-direction can strengthen both caregiver well-being and care recipient outcomes. Self-directed care can offer greater flexibility, financial relief, and stronger care continuity by allowing the care partner to remain at home with someone they know and trust. Self-direction can also reduce caregiver stress by creating care plans that better reflect the realities of daily life, while helping families maintain independence, dignity, and stability over time.

## Why Does It Reducing Isolation and Preserving Dignity for Family Caregivers?

State policies vary on whether immediate family members can serve as paid caregivers, with many states more likely to allow payment for care provided by extended family members or trusted friends.<sup>4</sup> Most self-directed care programs primarily serve older adults and people with intellectual or physical disabilities, though some states extend eligibility to individuals with traumatic brain injuries, medically complex conditions, autism, or other long-term care needs.<sup>5</sup>

At its core, self-directed care helps reduce isolation by allowing individuals to receive support from someone they know and trust in their own home. This model promotes dignity, independence, and more personal choice. The U.S. Department of Veterans Affairs uses a similar approach through Veteran-directed care, giving Veterans greater control over who assists with daily activities while helping them remain in their communities.<sup>6</sup>

## Benefits of Self-Directed Care for Individuals

Self-directed care gives individuals greater control over how, when, and by whom their care is delivered. Rather than relying solely on traditional agency-based services, individuals can make decisions that better reflect their personal preferences, cultural values, daily routines, and health needs. This flexibility often leads to higher satisfaction, stronger independence, and a greater sense of dignity in receiving care.

Self-directed care can also improve continuity and quality of support by allowing individuals to choose caregivers they know and trust. Because care plans can be tailored more closely to real-life needs, self-direction often reduces gaps in services, strengthens relationships between caregivers and care recipients, and helps people remain safe in their homes and communities for longer.



<sup>1</sup> Purington ST Wendy Fox-Grage, Kitty. Paying Family Caregivers through Medicaid Consumer-Directed Programs: State Opportunities and Innovations. National Academy for State Health Policy (NASHP). Published April 12, 2021. Accessed March 25, 2026. <https://nashp.org/paying-family-caregivers-through-medicaid-consumer-directed-programs-state-opportunities-and-innovations/>

<sup>2</sup> Office for Civil Rights (OCR). Community Living and Olmstead. HHS.gov. Published June 20, 2014. Accessed March 25, 2026. <https://www.hhs.gov/civil-rights/for-individuals/special-topics/community-living-and-olmstead/index.html>

<sup>3</sup> USAGov. Caregiver Support. Usa.gov. Published 2019. Accessed March 25, 2026. <https://www.usa.gov/disability-caregiver>

<sup>4</sup> Burns A, Wolk A, O'Malley Watts M. Medicaid's Home Care Support for Family Caregivers in 2025. Kaiser Family Foundation (KFF). Published January 5, 2026. Accessed March 25, 2026. <https://www.kff.org/medicaid/medicaids-home-care-support-for-family-caregivers-in-2025/>

<sup>5</sup> Ibid.

<sup>6</sup> U.S. Department of Veteran Affairs. Veteran-Directed Care. Published March 6, 2026. Accessed April 22, 2026. [https://www.va.gov/geriatrics/pages/Veteran-Directed\\_Care.asp](https://www.va.gov/geriatrics/pages/Veteran-Directed_Care.asp)