Exhibit B2   Methodology Overview

The scoring and ranking methodology in this *Scorecard* is based on the same methodology used in previous *LTSS State Scorecards*. As in the *2017 Scorecard*, the Quality of Life and Quality of Care dimension is given half the weight of the other dimensions in determining the overall rank, and the Support for Family Caregivers dimension is calculated as a single composite rather than an average of indicator ranks.

Dimensions and Indicators: The *Scorecard* measures LTSS system performance using 26 indicators (or policy categories) across five dimensions:

- **Affordability and Access** (6 indicators) includes the relative affordability of private pay LTSS, the proportion of individuals with private long-term care insurance, the reach of Medicaid and the Medicaid LTSS safety net for people with disabilities who have modest incomes, and the ease of navigating the LTSS system.

- **Choice of Setting and Provider** (7 indicators) includes the balance between institutional services and home- and community-based services (HCBS), the extent of self-direction, and the supply and availability of alternatives to nursing homes, including subsidized housing units, residential care options such as assisted living, adult day services, and the supply of home health and personal care aides.

- **Quality of Life and Quality of Care** (4 indicators) includes employment of people with disabilities living in the community, two indicators of quality in nursing homes, and a measure of the capability for cross-state benchmarking of HCBS quality measures. This dimension has a long-standing gap in HCBS quality measures that are comparable across states, as well as additional data gaps such as quality of life other than employment. Because of these gaps, the Quality of Life and Quality of Care dimension is considered to be incomplete and receives only one-half of the weight of the other four dimensions in determining states' overall ranks on LTSS system performance.

- **Support for Family Caregivers** (12 policy areas, grouped into 4 broad categories) includes supports for working caregivers, person- and family-centered care, nurse delegation and scope of practice, and transportation policies.

- **Effective Transitions** (5 indicators) includes measures of hospitalization and institutionalization that should be minimized in a high-performing LTSS system.

Indicators had to be clear, important, meaningful, and have comparable data available at the state level. These 26 indicators were selected because they represent the best available measures at the state level. While no single indicator can fully capture LTSS system performance, taken together they provide a useful measure of how state LTSS systems compare across a range of important dimensions.

Ranking Methodology: The *Scorecard* ranks the states from highest to lowest performance on each indicator in the Access, Choice, Quality, and Transitions dimensions. Within each of these four dimensions, individual indicator ranks are averaged and the averages are then re-ranked for dimension-level ranks. In the case of missing data or ties in rank, minor adjustments are made to values used in calculating the average:

- For ties: the average rank is given for the computation of the dimension or overall average (e.g., two states tied at third; both get a score of 3.5 for the calculation of the dimension average).

- For missing data: a constant value is added to all ranks so that the average rank for the indicator is 26 (e.g., if two states are missing data for an indicator, the remaining states rank 2 to 50 for the calculation of the dimension average.

The Support for Family Caregivers dimension is calculated differently. The dimension score is a single composite across all 12 policy areas, and the dimension rank is based on the total dimension score.

The five dimension ranks are then averaged (with the Quality dimension being given half weight) and re-ranked to compute the overall ranking of LTSS system performance. Ties in dimension rank are adjusted as above for calculating overall scores and rankings.