Dear Chairman Walden, Ranking Member Pallone, Chairman Burgess, Ranking Member Green:

We write to urge action on the Money Follows the Person (MFP) demonstration. The organizations signing this letter are members of the Aging and Disability Advocacy Work Group (ADAG), which comprises 30 national aging and disability advocacy organizations and Medicaid health plans working collaboratively on issues impacting Medicaid beneficiaries who are aging and/or living with disabilities. The group was convened by America’s Health Insurance Plans (AHIP), the national association whose members provide coverage for health care and related services across the entire spectrum of private-sector and public programs.

We strongly support extension of the MFP. We applaud introduction of extension legislation by Representatives Guthrie and Dingell, which has gained significant bipartisan support. We urge the Energy and Commerce Committee to hold a hearing on MFP and begin the process for passing the legislation.

The MFP demonstration — first authorized in the Deficit Reduction Act of 2005 with strong bipartisan support and signed into law by President Bush — was designed to assist states with:

1) Supporting Medicaid enrollees who want to transition from nursing facilities and other institutional settings back to community-based settings; and
2) Developing infrastructure to promote and enhance access to home and community-based services (HCBS).

**Impact of Money Follows the Person**

Since its inception, 47 states have participated and over 75,000 individuals have been transitioned back to the community. According to independent evaluations by Mathematica:

- Participants report significant and lasting improvements in quality of life and community integration after returning to the community.
- Findings suggest that after returning to the community, overall Medicare and Medicaid expenditures decrease for all populations:
  - $1,820 (23 percent) for adults age 65 and older
  - $1,783 (23 percent) for individuals with physical disabilities
  - $4,013 (30 percent) for individuals with IDD

States have made significant progress on “balancing” their long-term services and supports system to enhance access for HCBS, due in part to MFP. In FY05, states only spent approximately 37% of their LTSS expenditures on HCBS. According to the most recent data, states now spend over 53% on HCBS. After 24 months of Washington State’s MFP demonstration, the State realized $21.5 million in net savings and expected substantial additional savings to accrue after the initial 24 month period.10
**Need For Extension**

While states have made great progress, more work is needed. Significant variations remain across states and different populations who need HCBS. For example, HCBS accounted for 75% of spending in programs targeting people with developmental disabilities, compared to only 41% of expenditures for programs targeting older people, people with physical disabilities, and people with serious mental illness. Over 50,000 nursing home residents said they wanted to talk with someone about leaving their facility, but never received a referral to a local agency that could help them, according to recent analyses of Nursing Home Minimum Data Set reporting. States have learned lessons and can share promising practices with other states.

Unfortunately, the MFP program expired on September 30, 2016. While states can continue to use remaining grant funding through 2020, they are currently scaling back their programs and reducing dedicated staff and resources. The most recent national evaluation indicates that 2017 was the first year that the number of new transitions through the program declined. Our country is beginning to lose the momentum and progress we have made.

The proposed bipartisan legislation would extend MFP through 2022, remove barriers for individuals and states, enhance accountability, and contribute to sharing of best practices across states. This will assist states with achieving cost-efficiencies in their Medicaid programs while simultaneously enhancing opportunities for individuals to live independently and age with dignity in their homes and communities.

We applaud you for your leadership and look forward to working with you to advance this legislation.

Sincerely,

ADAPT – National
America’s Health Insurance Plans
Anthem, Inc.
Association of University Centers on Disabilities
Autistic Self Advocacy Network
Blue Cross Blue Shield of Michigan
Caregiver Action Network
Caregiver Voices United
Centene Corporation
Easterseals
Health Care Service Corporation
Magellan Health
Mental Health America
Molina Healthcare, Inc.
National Alliance on Mental Illness
National Council on Aging
The Arc of the United States
UCare
UPMC

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2. [https://www.dshs.wa.gov/sites/default/files/SESA/rda/documents/research-8-33.pdf](https://www.dshs.wa.gov/sites/default/files/SESA/rda/documents/research-8-33.pdf)