



Center for Public
Representation

PASS PERMANENT REAUTHORIZATION OF MONEY FOLLOWS THE PERSON (MFP)

MFP Gets Individuals with Disabilities & Seniors Back Home

First authorized by President Bush in 2005 with strong bipartisan support, MFP helps individuals with disabilities and seniors who want to move out of nursing homes and back in their communities. MFP has assisted more than 91,000 individuals voluntarily move into a community setting of their choice, and has helped 44 states improve access to community-based long term services and supports, also known as “home and community-based services” (HCBS). Congress has provided six short-term extensions of funding for this program over the last two years, most recently through December 11, 2020 as part of a larger government spending bill. With nearly 40% of deaths occurring in nursing homes and other institutions during the COVID-19 pandemic, permanent reauthorization of MFP is even more critical both to people with disabilities and older adults who want to return to their communities and to states who need to know they can rely on this federal program during and after this pandemic.

MFP Enhances Opportunities to Live Independently and Age with Dignity

Medicaid requires states to provide care in nursing homes, but HCBS is optional. MFP incentivizes investment in HCBS by providing federal funding for transitional services for individuals who wish to leave a nursing home or other institution. Thanks to MFP, over 91,000 seniors and people with chronic conditions and disabilities have transitioned back into the community.

MFP Rebalancing Demonstration is a Success Story that Improves Quality of Life

At the end of 2015, nearly all states had an MFP demonstration. In a 2017 evaluation, the Centers for Medicare and Medicaid Services (CMS) found strong evidence that beneficiaries’ quality of life improves when they transition from institutional long-term care to HCBS. MFP participants experienced increases across all seven quality-of-life domains measured, and the improvements were largely sustained after two years.

MFP is a Critical Solution To the COVID-19 Nursing Home Crisis

Over 40% of COVID-19 deaths to date have been related to nursing homes, with even higher rates of infection. The pandemic has highlighted the risks to people in congregate settings. MFP is a critical tool to help people in nursing homes and other institutions transition to smaller, safer settings in the community.

States Save with Money Follows the Person

Providing long term care in the home costs less than institutional care. Average monthly expenses for MFP participants declined by almost 25 percent in the first year after transitioning from a nursing home to HCBS. CMS also found that MFP participants are less likely to be readmitted to institutional care than other beneficiaries who transition but do not participate in the program.

Current Legislative Proposals Make Improvements to the MFP Program

Legislative language before Congress improves MFP by reducing how long someone must be in a nursing home before becoming eligible to transition – from 90 days to 60. (The longer someone remains in a nursing home, the harder it can be for them to transition out.) The language also enhances the reporting and accountability of MFP funding and requires the federal government to identify and share the most effective state strategies for transitioning beneficiaries from institutional to qualified community settings, including how such strategies vary for different types of beneficiaries.

States Need the Assurance of Permanent Funding of the MFP Program

Congress has passed six short-term extensions of MFP since funding expired in 2018. The lack of reliable funding has caused states to significantly decrease the number of transitions under this program, with a more than 50% decrease between June 2018 and July 2019. A number of states have completely shut down their MFP programs or are in the process of doing so.

Time is running out: Short-term MFP funding to help people transition expires DECEMBER 11!! We urge Congress to pass a permanent reauthorization of the Money Follows the Person program.

For more information on MFP, visit <https://medicaid.publicrep.org/feature/money-follows-the-person>.