

STATEMENT OF:

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REGARDING:

The Money Follows the Person Program and the EMPOWER Care Act

TO:

Subcommittee on Health  
Energy and Commerce Committee  
United States House of Representatives

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Chairman Burgess, Ranking Member Green, and members of the subcommittee, thank you for the opportunity to discuss the Money Follows the Person Program. In addition to serving as the Assistant Administrator of Long Term Care Benefits and Programs in the Wisconsin Division of Medicaid Services, I am also the Vice President of the National Association of States United for Aging and Disabilities, known as NASUAD, which is a nonpartisan association that represents administrators of aging, disability, and long-term services and supports programs in all 50 states, the District of Columbia, and the territories. I am also designated as the Wisconsin Disability Director and serve on the national policy workgroup of the National Association of State Directors of Developmental Disabilities Services. I am honored to be here today to represent NASUAD and to speak about the Money Follows the Person program and its impact on individuals who require long-term services and supports.

The MFP program, as it is frequently called, was first created by the Deficit Reduction Act of 2005 as a way to provide states with increased resources and flexibilities that assist with the transition of individuals from institutional long-term care settings to home and community-based services. The creation of MFP gave states crucial tools to increase choices and options for individuals who receive long-term services and supports in accordance with the landmark Olmstead decision that mandates states to ensure that participants receive services in the most integrated setting based on their needs and preferences.<sup>1</sup> States began operating MFP in 2007, and between 2007 and 2017 forty-three states transitioned over 75,000 individuals into the community.<sup>2</sup> MFP was a crucial part of state progress in deinstitutionalization, which led to Medicaid programs spending a greater proportion of expenditures on home and community-based services than in institutional settings for the first time in Federal Fiscal Year 2013.<sup>3</sup> I have seen this type of success firsthand in Wisconsin. In our agency, we use a scorecard to track our progress at improving key measures around deinstitutionalization, participant choice, and quality of life. Among other measures, we have specifically seen great progress in reducing the percentage of individuals on waiting lists as well as increasing the balance of expenditures in the community and we believe that an extension of MFP will help us continue these efforts.

MFP also results in significant cost savings. According to the national MFP evaluation, average annual per person spending during the first year following transition declined by over \$20,000 for older adults and people with disabilities, and by over \$48,000 for individuals with intellectual/developmental disabilities. All told, this resulted in over \$1 billion in savings during the first year of transitions alone for

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<sup>1</sup> Olmstead v. L. C., 527 U.S. 581 (1999)

<sup>2</sup> <https://www.medicaid.gov/medicaid/ltss/money-follows-the-person/index.html>

<sup>3</sup> <https://www.medicaid.gov/medicaid/ltss/downloads/ltss-expenditures-fy2013.pdf>

these individuals.<sup>4</sup> The evaluation also estimated that, within 17 states evaluated, roughly one quarter of older adults and one half of individuals with Intellectual and/or Developmental Disabilities would not have transitioned without support from MFP. This substantiates that MFP is not just good for participants, but it is also fiscally a prudent grant program that results in hundreds of millions of dollars in savings during the first year after participants' transitions, and substantial additional savings during subsequent years.

One of the reasons that MFP provides an opportunity for deinstitutionalization of individuals who would not otherwise move into the community is due to the flexible services that the program allows. MFP allows for supplemental services that are not covered through standard Medicaid long-term services and supports. This provides an opportunity for innovation to address some of the common barriers to community transitions. One example of how Wisconsin uses MFP funding is to fund community living specialist. These individuals review nursing diagnostic information to see which individuals currently residing in nursing homes indicate that they want to go home or move into a community placement. These specialists utilize a wide range of supports to assist individuals identify a residence, as well as link these participants with extensive supports that help them remain in their home.

Nearly every MFP state identified a lack of accessible, affordable housing as a significant challenge that could prevent a community placement. Tennessee addressed this issue through a multifaceted approach, including housing counseling, and a pilot program to support bridge subsidies for individuals as they leave the institution.<sup>5</sup> States also used MFP funding to support programs that help beneficiaries gain and maintain employment; provide behavioral support expertise; provide outreach and consultation with nursing facilities; and provide grants to tribal entities wanting to pursue their own MFP initiatives. And critically, in Wisconsin and many other states, we also used MFP funds to address waiting lists through diversion initiatives and expansion of available slots in some of our community-based waivers.

States also used Money Follows the Person funding to support Aging and Disability Resource Centers, which provide comprehensive information, referral, and options counseling services to help individuals access the most appropriate long-term services and supports based on their needs and

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<sup>4</sup> <https://www.medicaid.gov/medicaid/ltss/downloads/money-follows-the-person/mfp-rtc.pdf>

<sup>5</sup> <https://www.kff.org/medicaid/issue-brief/tennessees-money-follows-the-person-demonstration-supporting-rebalancing-in-a-managed-long-term-services-and-supports-model/>

preferences. In Virginia, they were able to use MFP dollars to move from a 16/7 information and referral system to a 24/7. And MFP also supported several states efforts to improve their person-centered thinking, organizational training, and technical assistance.

It is also important to remember that behind each of these statistics are real people – individuals and families whose lives have been changed for the better due to the MFP program. I would like to take a moment to share a few stories from around the country of people who have been helped by MFP.

In 2009, a woman from Tennessee named Mrs. Carol found that her health had taken a serious and critical decline. She weighed 547 lbs. and her body was failing her. She had cardiac issues, diabetes, depression, and renal failure. The doctor in the hospital told her there was nothing else they could do for her and sent her to a nursing facility as she needed 24/7 care. She felt that she had no voice and no worth. She required 2-3 person assistance to be moved and was dependent on others for everything; she could not even roll over without extensive assistance.

Things began to improve in 2010, shortly after Tennessee engaged with health plans to implement managed long-term services and supports. Through a combination of health plan interventions and MFP, Carol was encouraged for several years to transition out of the nursing facility. And although she was very depressed the programs encouraged her and assisted her with obtaining services necessary to lose weight and gain strength both physically and emotionally. The Money Follows the Person program utilized a person-centered approach to allow her to take control of her life and future. She was listened to and provided with important education. She made the decisions for her life and the rate of speed in which they occurred. She successfully transitioned out of the nursing facility in August of 2016 and is now back home with her husband and son.

Tennessee and her health plan listened to her and she gradually reduced her services as she gained independence. She was now in charge of everything in her life, and the services were only there to support her. She worked with her health plan to initiate consumer directed services and eventually changed her services as her support needs decreased. In Mrs. Carols' words she "graduated" and voluntarily disenrolled from Tennessee's CHOICES program in April of 2018. She now spends time as an elder advocate, volunteer with Hospice and enjoying other hobbies.

Robert Bond was sent to a Virginia nursing home in 2010 at the age of 25 years old. Mr. Bond had been diagnosed with Autoimmune Necrotizing Myopathy. He was aspirating for over a year and

then had pneumonia which placed him in the hospital. His parents were not sure that he was going to make it and did not have the resources to care for him at home. At discharge, he was moved to Sentara Nursing Facility. Mr. Bond had been attending Liberty University in Lynchburg, Virginia prior to his illness which had now placed him in a wheelchair permanently. As a quadriplegic, he had complex medical needs.

Youthful, Mr. Bond did not want his illness to slow him down. He wanted his own apartment and realized that he would need one that was handicap accessible. His illness gave him a new appreciation for life. Later, he met Sharon Franklin from the Independence Center who told him that there was a resource for transitioning that would supply the supports that he needed. Mr. Bond had heard so many stories previously and was unsure if this could be true. The provider gave Mr. Bond a chance to think about the option and returned a month later. Mr. Bond decided to take a chance and proceeded forward by enrolling in the Money Follows the Person Program. A month later, Mr. Bond moved into his father's house and then later was able to be moved into his own apartment. Services provided included a water dispenser and a portable cooktop stove because he didn't have great reach. These items were most important to him. They provided a sense of independence when the attendant was not around. Mr. Bond also received new clothing and later, the program allowed for an electric door opener and a sky bell to be installed.

Since the transition or second chance at life, Mr. Bond is now employed in an eye clinic in the tidewater area, assists others transitioning from the nursing facility, and has also provided inspiration and motivational counseling to others with severe disabilities. His long-term goal is to have a second chance at driving.

In Delaware, MFP helped change the life of a young mother of three who was the victim of a violent crime. She found herself in a nursing home due to the injuries which left her paralyzed from the waist down. Prior to the crime she was working and supporting her family, while in the facility she had no income. Being in the nursing facility was difficult on her and her children. While they could visit her at the facility, she was not at home to be a part of their daily lives or to put them to bed at night. MFP was able to transition her to a home with her children and her mother, as a caretaker, after having spent eight months in a facility, away from her children. After her transition, she has continued to improve her quality of life and she is learning how to drive an adaptive vehicle. Her intention now is to attend Vocational Rehabilitation so that she can return to work to support herself and her children.

As you can see, this is a unique program that provides benefits to a wide range of people. Not only is it valuable to the states, it is fiscally responsible and results in savings to the federal Medicaid program. Lastly, and most importantly, it improves the quality of lives for the individuals we serve.

Although significant progress and success has been made regarding rebalancing to HCBS, there is still much work to be done. Almost 60 percent of all Medicaid expenditures for long-term services and supports delivered to older adults and people with physical disabilities are for institutional care.<sup>6</sup> The recently-released MFP evaluation found that 71 percent of the individuals transitioned through the program were older adults or people with physical disabilities.<sup>7</sup> The evaluation also indicated that the aggregate number of transitions is growing.

On behalf of NASUAD, I therefore encourage Congress to continue this important program. Our members across the country have seen great value from the program, and the interventions have become more effective as states have experimented with and learned from innovative ways to provide these supports. We encourage Congress to continue to work with NASUAD, our membership, and the broader aging and disability community to demonstrate the financial and human benefits of the program in order to secure an extension of the MFP program.

Thank you for the opportunity to comment, and I would be happy to answer any questions you may have.

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<sup>6</sup> <https://www.medicaid.gov/medicaid/ltss/downloads/reports-and-evaluations/ltssexpendituresffy2015final.pdf>

<sup>7</sup> <https://www.medicaid.gov/medicaid/ltss/downloads/money-follows-the-person/mfp-rtc.pdf>