

Make the Medicaid Money Follows the Person Program Permanent

NOVEMBER 2022

The vast majority of older adults want to remain at home as they age. But once a person enters a nursing facility after a hospitalization, it can be very difficult to get the necessary support in place to safely return home. This results in many older adults being institutionalized who do not need to be. The Medicaid Money Follows the Person (MFP) program offers a solution by providing enhanced Medicaid funding to states to assist people with transitioning from institutions to community-based settings. Unfortunately, it is currently set to expire in September 2027. Congress should permanently authorize the MFP program to ensure this successful program is available to older adults and people with disabilities in every state and territory.

What Is Money Follows the Person?

MFP is a home- and community-based services (HCBS) demonstration program that Congress established in 2005 to help older adults and people with disabilities move out of nursing facilities and other institutions and into the community. The goals of MFP are to increase HCBS and reduce institutional services and eliminate barriers that restrict the use of Medicaid funds so people with Medicaid can receive long-term services and supports in the setting they choose, as well as support states in strengthening their Medicaid HCBS infrastructure and quality.

Under the program, states receive enhanced federal funding to provide a wide range of support to MFP enrollees for a one-year period. This support includes personal care and other traditional HCBS services as well as supplemental services not typically covered by Medicaid, such as household set up costs, security deposits, accessibility modifications to the home, short-term housing, and food assistance. These [supplemental services are now 100% federally funded](#).

Since 2007, [44 states and the District of Columbia have participated in MFP](#). Earlier this year, [American Samoa and Puerto Rico received MFP grants](#) to start programs. In addition, the [MFP Tribal Initiative](#), which provides funding for Indian Country to existing MFP state grantees and tribal partners, began in 2013 in 5 states: Minnesota, Oklahoma, North Dakota, Washington, and Wisconsin.

MFP Has Helped Thousands of Older Adults Return to Community Living—but Many More Need this Support

Since the demonstration began, [MFP has helped over 107,000 people transition from institutions back to their communities, including nearly 40,000 people age 65 and older](#). The [vast majority of older adults \(70%\) transition to a home or apartment](#), and the remainder to assisted living or group homes. MFP has been extremely successful—a national study found that about [25% of older adult MFP enrollees](#) would have remained institutionalized without the program.

Here are two stories that illustrate the success of the California Community Transitions MFP program:

Maria,* an 80-year-old Hispanic woman, was admitted to a nursing facility in Concord, California, after a stroke. She was unable to be discharged from the facility because she did not have the necessary resources and support. After 6 months, her public housing benefits were discontinued and Maria was told her rent would return to the market value, which left her with a \$8,750 bill and facing eviction. Once the California Community Transitions (CCT) team got involved, they were able to help pay off the rent bill and coordinate charities to assist. CCT helped Maria return to her apartment with HCBS services in place. She is now thriving in the community, getting to know new people, and reacquainting herself with friends she previously knew.

**The name has been changed to protect her privacy.*

Freddie is a polio survivor with significant physical disabilities as well as some cognitive impairments. In 2002, she was attending adult day health care and living independently in the community with the help of a caregiver. Her caregiver physically abused her to the point where she almost died. She was in the hospital for three months and the assault caused a seizure disorder. She was transferred to a nursing facility where she lived for six years. In 2009, when the CCT program received funding, Freddie was first on the list to be served. CCT was able to find housing for Freddie and arrange support services. Freddie has been living in the community for over eight years. In Freddie's words: That is eight years of independence – getting to eat when she wants to eat, get up when she wants to get up, watch what she wants to watch on television, keep the temperature at the temperature she wants.

Unfortunately, [many states have ended or paused their MFP programs due to the uncertainty of federal funding](#). Nine states ended their MFP program since initial funding expired in 2016, while other states report ending some MFP services and programs. Other states, like Florida, never started the program. This means there are disparities in who has access to community transition support from state to state. And although demographic data about who benefits from MFP is limited, we know that states without MFP programs like Florida, Arizona, Utah, and Alaska have high higher Black, Latino, and/or Native populations.

Congress Should Make MFP Permanent

MFP provides a critical, proven solution to help ensure older adults can live safely at home, instead of in nursing facilities. As the COVID-19 pandemic exposed how dangerous institutionalization can be, the need for investments in MFP and other programs that expand access to home-based care has never been greater.

Since 2016, Congress has passed several short-term extensions, with the [current extension set to expire in September 30, 2027](#). But without permanent funding, states are unable to make long-term investments in MFP and establish the necessary foundations to provide MFP and other HCBS, like increasing the direct care workforce, and affordable, accessible housing options. The result is that older adults and people with disabilities are stuck in institutions who do not need to be.

We urge Congress to permanently authorize and fund the Money Follows the Person program as soon as possible to give states the assurance they need to invest in these services and to meet the needs of older adults and people with disabilities who want to live in the community.