



Support Medicaid and Medicare Innovations that Improve Care and Promote Independence: Reauthorize Money Follows the Person for 4.5 More Years and Co-Sponsor/Pass the Independence at Home Act (S. 1202)

Reauthorization of Money Follows the Person: A Sensible Medicaid Reform

The future of the bipartisan-supported Money Follows the Person (MFP) program — one of the longest running and most successful demonstrations in Medicaid — remains in jeopardy. We urge Congress to pass a four and a half-year reauthorization to stabilize this vital program with small but key improvements while continuing its evaluation. This extension would match the timeline recently passed by the House in a broader legislative package, H.R. 3253, the “Empowering Beneficiaries, Ensuring Access, and Strengthening Accountability Act of 2019”, which enjoyed overwhelming bipartisan support – 371 to 46.

The House-passed package incorporates a slightly modified timeline from the originally proposed EMPOWER Care Act (“Ensuring Medicaid Provides Opportunities for Widespread Equity, Resources, and Care Act”) (S. 548/H.R. 1342), sponsored by Senators Rob Portman (R-OH) and Maria Cantwell (D-WA) and Representatives Debbie Dingell (D-MI) and Brett Guthrie (R-KY), which had proposed extending MFP for five more years.

We need Congress to take action and promptly pass MFP’s reauthorization before September 30, 2019, the end of the fiscal year. If Congress does not reauthorize MFP, low-income older adults and people with disabilities will no longer have the increased support they need to lead more independent lives in their communities.

According to the Centers for Medicare and Medicaid Services, MFP has helped more than 91,000 individuals with disabilities and older adults return home to live in their communities with appropriate services and supports. First authorized in the Deficit Reduction Act of 2005 with strong bipartisan support and signed into law by President George W. Bush, MFP significantly improves the lives of vulnerable, low-income older adults and people with disabilities covered by Medicaid.

Congress unanimously enacted two short-term extensions for MFP, providing an additional \$132 million for state MFP programs to continue operating for a few more months (Pub. L. 116-3, Jan. 24, 2019; Pub. L. 116-16, April 2, 2019). However, states likely will exhaust this short-term funding by September, 2019, putting their MFP programs and beneficiaries’ future transition plans at risk. Reauthorization is necessary to stabilize the program and permit its expansion to all interested states and beneficiaries.

MFP helps low-income older adults and people with disabilities transition from living in institutions (such as nursing homes) to living in the community with appropriate housing, services and supports. Many clients of Jewish health partner agencies that provide home- and community-based services to older adults and people with disabilities receive assistance through the MFP program.

MFP assists Medicaid beneficiaries bear the costs of moving out of institutions and back into apartments, homes, and community-based settings. MFP funds can pay for first month's rent, security deposits, and basic furnishings. MFP also assists states in developing the infrastructure to promote and enhance access to home and community-based services (HCBS).

MFP enhances opportunities to live independently and with dignity, saves money, and helps states “rebalance” their long-term care spending. The Centers for Medicare and Medicaid Services (CMS) found that participants experienced significant and lasting improvements across seven major quality-of-life measurements and were less likely to be readmitted (CMS, 2017). The nonpartisan, research firm Mathematica found that MFP reduced overall Medicare and Medicaid spending on participants by roughly 20% (Mathematica, 2017).

The Independence At Home Act: A Sensible Medicare Solution

It is time to make IAH available to all severely and chronically ill Medicare beneficiaries. Congress extended the program twice, first under the Medicare Independence at Home Medical Practice Demonstration Improvement Act of 2015, and then again under the Bipartisan Budget Act of 2018. The IAH Demonstration is scheduled to end December 31, 2020, but now should be made permanent. The IAH model has helped more than 10,000 older adults with severe chronic illness and functional limitations.

The bipartisan Independence at Home Act (S. 1202), introduced by Senators Rob Portman (R-OH) and Ed Markey (D-MA), would establish a national IAH program in Medicare. Making the IAH model available as a permanent Medicare benefit would allow the more than two million Medicare beneficiaries living with multiple chronic and disabling conditions, a fast growing and costly segment of the Medicare population, to utilize this innovative model of care. Although a related House bill to simply extend the program for three more years, H.R. 3644, was recently introduced by Representatives Michael Burgess (R-TX) and Debbie Dingell (D-MI), JFNA hopes that the House will follow the Senate's lead and make the program permanent.

IAH puts health care in the comfort of a patient's home while reducing unnecessary hospitalizations, as well as achieving both cost savings and significant care improvements. The most vulnerable, high-cost, chronically ill Medicare beneficiaries account for 98% of Medicare hospital readmissions. IAH provides high quality clinical care and better patient experience while reducing total Medicare costs for this high need, high cost Medicare population. CMS found that IAH saved over \$16.3 million in its third performance year, an average of \$1,431 per participating beneficiary (CMS, 2019).

Please urge your Senators and Representatives to pass a 4.5 year reauthorization for MFP, and co-sponsor and pass the Independence at Home Act.

For further information, please contact:

- **Jonathan Westin, JFNA Senior Director of Health Initiatives, at (202) 736-5860 or jonathan.westin@jewishfederations.org**
- **Elizabeth Cullen, JFNA Counsel for Health Policy, at (202) 736-5887 or elizabeth.cullen@jewishfederations.org**
- **Aaron Kaufman, JFNA Senior Legislative Associate, at (202) 736-5865 or aaron.kaufman@jewishfederations.org**

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