National Council on Aging

Issue Brief

Improve Access to Medicaid Home and Community-Based Services (HCBS)

Extend the Medicaid HCBS Money Follows the Person Program for at Least 5 Years

A 13-year-old program that has helped more than 75,000 seniors and individuals with disabilities move out of nursing homes is in jeopardy. Enacted in 2005 with strong bipartisan support, Money Follows the Person (MFP) is one of the longest running and most successful Medicaid demonstrations. It helps states transition older adults and individuals with disabilities from nursing homes back to their homes and communities. It also allows states to make it easier for individuals to access home and community-based services (HCBS).

Forty-seven states have helped 75,000 individuals through the program. According to evaluations by Mathematica, MFP participants report significant and lasting improvements in quality of life after individuals return to the community and their overall Medicare and Medicaid expenditures decrease by 23%. MFP also has encouraged states to spend more money on HCBS instead of nursing homes. In FY05, states only spent 37% on HCBS, but the latest data show they're spending over 53% today.

Unfortunately, MFP will expire at the end of this year unless Congress takes action. NCOA supports the EMPOWER Care Act, introduced by Sens. Portman (R-OH) and Cantwell (D-WA) and Reps. Dingell (D-MI) and Guthrie (R-KY) to extend the program for five years (S. 548 and H.R. 1342). Extending the program is a common sense Medicaid reform and will allow states to continue progress. Currently, HCBS accounts for only 41% of spending for Medicaid long-term care programs targeting older people, people with physical disabilities, and those with serious mental illness. MFP improves the lives of older adults and people with disabilities while assisting states with moving away from funding nursing homes in favor of more cost-effective HCBS.

Make Medicaid HCBS Spousal Impoverishment Protections Permanent

NCOA urges Congress to make permanent vital financial protections for married couples when one spouse requires long-term services and supports available through Medicaid HCBS. These protections are set to expire at the end of this year. Medicaid's spousal impoverishment protections make it possible for an individual to qualify for Medicaid while allowing their spouse to retain a modest amount of income and resources. Since 1988, federal Medicaid law has required states to apply this protection to spouses of individuals needing institutional long-term care and has helped ensure that the spouse who is not receiving long-term care can continue to pay for rent, food, and medication while the other spouse receives their needed care in a facility. Married couples deserve the same financial protections whether or not care is provided in a nursing home or in the community.

Ensuring that these protections are available to individuals eligible for HCBS is aligned with a long history of bipartisan policies intended to promote access to less costly HCBS and to ensure older adults and people with disabilities have a meaningful choice about where they live when receiving Medicaid supports. NCOA strongly supports H.R. 1343, the Protecting Married Seniors from Impoverishment Act, introduced by Reps. Dingell and Upton (R-MI) to permanently extend these protections to HCBS.

The Kaiser Family Foundation's recent analysis of the spousal impoverishment protections concluded that applying more stringent Medicaid financial eligibility rules to HCBS than to nursing homes could affect states' progress in expanding access to HCBS, rebalancing long-term care spending, and promoting community integration. Allowing the policy to expire now could force people who are now eligible for HCBS into a more nursing home against their wishes and stall or even reverse progress states have made in helping older adults and people with disabilities remain at home and in the community.

June 2019