February 21, 2018

The Honorable Orrin Hatch
Chairman
Committee on Finance
United States Senate
Washington, D.C. 20510

The Honorable Ron Wyden
Ranking Member
Committee on Finance
United States Senate
Washington, D.C. 20510

Dear Chairman Hatch and Ranking Member Wyden:

I write to you on behalf of the American Bar Association (ABA) and its over 410,000 members to affirm our support for S.2227, the EMPOWER Care Act, introduced by Senators Portman and Cantwell. This Act would extend the “Money Follows the Person” rebalancing demonstration (MFP) through 2022, and we respectfully urge you to swiftly move this legislation through the Committee on Finance.

MFP helps provide the necessary support to move seniors and persons with disabilities back into the community and out of more expensive institutional settings. It improves the lives of older adults and people with disabilities, and does so in a more cost-effective way than institutional settings. By favoring community-based services, states save money and see better outcomes for their residents. That’s why nearly every state participates in the program.

The ABA supports governmental “efforts to expand the availability of home and community based services (HCBS),” including by “Initiating and expanding other HCBS efforts to help people with disabilities of all ages to live with dignity in the community.”

MFP is a successful example of such efforts. Independent evaluations have proven MFP improves the quality of life for individuals, and the Secretary’s 2017 report to Congress states that the program reduced Medicaid and Medicare expenditures by approximately 23%:

On average, per-beneficiary per-month expenditures (PBPM) declined by $1,840 (23 percent) among older adults transitioning from nursing homes (Figure 4), which translates to average cost savings for Medicaid and Medicare programs of $22,080 during the first year after the transition to home and community-based LTSS. [Department of Health and Human Services, Office of the Secretary, Report to the President and Congress: The Money Follows the Person (MFP) Rebalancing Demonstration (June 2017)]

Unfortunately, MFP expired September 30, 2016, and states are running out of funding.
As a result, states are scaling back their programs, reducing dedicated staff and crucial resources. Last year was the first time that the number of people transitioned to the community declined. Without action, the program will lose progress and eventually disappear.

The EMPOWER Act makes good sense for seniors and persons with disabilities, and for state and federal governments. The ABA thanks you and your staff for working with the various stakeholders to develop legislation that addresses the needs of so many people in need of advanced health care. We stand ready to assist you in moving this legislation forward.

Sincerely,

Thomas M. Susman