

October 8, 2026

The Honorable John Thune
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Chuck Schumer
Minority Leader
U.S. Senate
Washington, DC 20510

The Honorable Mike Johnson
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Leader Thune, Minority Leader Schumer, Speaker Johnson, Minority Leader Jeffries, and Members of the United States Senate and House of Representatives:

The undersigned organizations, including members of the Disability and Aging Collaborative (DAC), the Long Term Services and Supports (LTSS) Taskforce of the Consortium for Constituents with Disabilities (CCD), and other allied organizations, write to urge Congress to pass legislation to extend two critical bipartisan provisions that make community living a reality for people with disabilities and older adults: the Money Follows the Person (MFP) program and spousal impoverishment protections. Without congressional action, these programs will expire on September 30, 2027. As that funding deadline approaches, states are already making decisions about whether they can continue the extremely successful MFP program. We urge Congress to take action this year to ensure MFP and the spousal impoverishment protections continue.

Home and Community-Based Services Benefit Older Adults and People with Disabilities

The vast majority of older adults and people with disabilities who need assistance with daily activities prefer to live in their homes and communities, as opposed to institutional settings like nursing homes. Medicaid Home and Community-Based Services (HCBS) enables individuals to receive person-centered long-term care in their own homes and in community-based settings.

Medicaid HCBS not only provides choices for individuals and families, but it is also more cost-effective than institutional services. States and the federal government spend more than twice as much on Medicaid enrollees who receive services in institutional settings than for people who receive HCBS—over \$54,000 per enrollee on average for institutional care as opposed to under \$18,000 per enrollee in a community-based setting.¹ Yet, despite these positive benefits, there are many barriers that prevent individuals from being able to receive long-term care at home. Permanently extending the Money Follows the Person and HCBS spousal

¹ Alexandra Carpenter et al., [“Trends in Users and Expenditures for Home and Community-Based Services as a Share of Total Medicaid Long-Term Services and Supports Users and Expenditures, 2023”](#) (Oct. 17, 2025).

impoverishment protections would address some of these barriers and ensure continued access to HCBS.

The Money Follows the Person Program Supports Transitions from Institutional Settings

One of the barriers to HCBS that exists for older adults and people with disabilities is getting the necessary support to move from institutional settings back into the community. The MFP program provides enhanced funding to states to assist with the costs of transitioning people out of institutional settings, including identifying and coordinating affordable and accessible housing, covering one-time transition costs such as modifications to make a home accessible, supporting transition staff within institutional facilities, and establishing peer mentoring programs to aid individuals in making informed decisions about transitioning.² The programs funded through MFP are targeted, evidence-based, and cost-effective. A national evaluation found that after transitioning to the community, the average per-person Medicaid health and long-term services and supports costs fell by 23-30%.³

The MFP program was established as a demonstration program 20 years ago and is now widely utilized and relied on by states. In total, MFP has been adopted by 47 states and has helped over 144,000 long-term residents transition from institutions to the community.⁴ Currently, 38 states plus the District of Columbia, American Samoa, and Puerto Rico participate in MFP.⁵ Loss of funding for this program would be devastating for individuals and families across the country in need of support to be able to leave institutions and receive community-based services.

Protections Against Spousal Impoverishment Enable Community Living

Another barrier that has prevented older adults and adults with disabilities from utilizing Medicaid HCBS is a provision in federal law which incentivized individuals to choose institutional services rather than community-based services.

Medicaid's spousal impoverishment protections make it possible for a married individual who needs a nursing home level of care 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 protections to spouses of individuals receiving institutional long-term care. This 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.

² Centers for Medicare & Medicaid Services, "[Report to Congress Best Practices in the Money Follows the Person \(MFP\) Demonstration](#)" (Feb. 2024).

³ Community Living Policy Center, "[Money Follows the Person: Promoting Freedom, State Innovation, & Costs Savings](#)" (Sept. 2026).

⁴ Cassidy Kantoris et al., "[Money Follows the Person \(MFP\): Updated MFP Grant Recipient Transitions as of December 31, 2025](#)" (Sept. 2026).

⁵ Community Living Policy Center, "[Money Follows the Person: Promoting Freedom, State Innovation, & Costs Savings](#)" (Sept. 2026).

Congress extended this protection to eligibility for HCBS in all states beginning in 2014, so that married couples could have the same financial protections whether care is provided in a facility or in the community. The extension of this policy to HCBS ensures that couples can continue to live together in their homes and communities as they age and families can stay together when caring for loved ones with disabilities.

If the HCBS spousal impoverishment protections were to expire, people whose needs warrant a nursing facility level of care but now receive such care in their homes could be forced to move into more costly institutional care against their wishes.

Permanent Extension Is Essential

The MFP program has been a bipartisan effort from its inception. MFP was first authorized in 2005 as part of the Deficit Reduction Act (P.L. 109-171) and signed by President Bush. Since then, Congress has extended funding for the program several times on a bipartisan basis, including in 2010, 2016, 2019, 2020, and 2021. Most recently, the Consolidated Appropriations Act of 2023 (P.L. 117-328) extended the program through September 30, 2027. There have also been bipartisan bills introduced to reauthorize the program, including legislation led by current Energy and Commerce Chair Guthrie and, most recently, a bipartisan bill to permanently reauthorize the program introduced in the 118th Congress.⁶

Congress has also repeatedly extended the HCBS spousal impoverishment protections at the same time as it has extended funding for the MFP program. The most recent extension of the spousal impoverishment protections was part of the bipartisan Consolidated Appropriations Act of 2023.¹ There was also bipartisan legislation introduced to permanently reauthorize the program in the 118th Congress.⁷

While the repeated extensions of both MFP and spousal impoverishment protections have been critical, both provisions must be extended permanently. Historically, when there have been short-term extensions, states have stopped or greatly reduced transitions under MFP or even dropped out of the program entirely while awaiting the assurance of long-term funding.⁸ Even now, states are making decisions in light of decreased funding to wind down their MFP programs. For example, earlier this year, Kansas announced it will not continue its MFP program,⁹ and Maryland recently ended its peer outreach and support program citing the lack

⁶ H.R. 8109, 118th Cong. (2024), available at <https://www.congress.gov/bill/118th-congress/house-bill/8109>.

⁷ H.R. 8110, 118th Cong. (2024), available at <https://www.congress.gov/bill/118th-congress/house-bill/8110>.

⁸ H. Stephen Kaye & Joe Caldwell, “[Short-Term Money Follows the Person Extensions Resulted in a Significant Drop in State Efforts to Transition People Out of Institutions](#)” (May 2020).

⁹ Brayden Day, “[Kansas Exits ‘Money Follows the Person’ Program, Leaving Nursing Home Residents Hung Out to Dry](#)” (May 11, 2026).

of MFP funding.¹⁰ More states will follow suit well before September 2027 if there is no extension.

If Congress does not act, this critical funding that allows states to develop and test the necessary processes, tools, and infrastructure to advance system reforms to support people with disabilities to successfully transition from institutional to community-based settings will run out. We urge permanent authorization of the Money Follows the Person Program and a permanent extension of the Spousal Impoverishment Protections for Medicaid HCBS so that older adults and people with disabilities can move back to and remain in their communities.

Sincerely,

AARP

Access Living

Access Ready

ADvancing States

Allies for Independence

American Association of People with Disabilities

American Association on Health and Disability

American Network of Community Options and Resources (ANCOR)

American Therapeutic Recreation Association

The Arc of the United States

Autism Society of America

Autism Speaks

Autistic Self Advocacy Network

Autistic Women & Nonbinary Network

Bazelon Center for Mental Health Law

Care in Action

Caring Across Generations

CommunicationFIRST

Corporation for Supportive Housing

Cure SMA

Disability Belongs®

Disability Rights Education and Defense Fund (DREDF)

Diverse Elders Coalition (DEC)

Easterseals, Inc.

Epilepsy Foundation of America

Gerontological Society of America

Huntington's Disease Society of America

Inglis

¹⁰ Independence Now, "[Important Update on the Money Follows the Person \(MFP\) Peer Outreach and Support Program](#)" (Mar. 31, 2026).

The Jewish Federations of North America
Justice in Aging
The Kelsey
Lakeshore Foundation
LeadingAge
Little Lobbyists
Lutheran Services in America - Disability Network
Meals on Wheels of PA (MOWPA)
Medicare Rights Center
Muscular Dystrophy Association
National Academy of Elder Law Attorneys (NAELA)
National Adult Day Services Association (NADSA)
National Alliance for Caregiving
National Association of Councils on Developmental Disabilities
National Association of County Behavioral Health and Developmental Disability Directors (NACBHDD)
National Association of Social Workers (NASW)
National Association of State Directors of Developmental Disabilities Services
National Committee to Preserve Social Security and Medicare
National Consumer Voice for Quality Long-Term Care
National Council on Independent Living
National Disability Institute
National Disability Rights Network (NDRN)
National Domestic Workers Alliance
National Down Syndrome Congress
National Health Council
National Health Law Program
National Respite Coalition
Network of Jewish Human Service Agencies
New Disabled South
The Partnership for Inclusive Disaster Strategies
Pennsylvania Adult Day Services Association (PADSA)
Pennsylvania Association of Area Agencies on Aging (P4A)
Service Employees International Union
Special Needs Alliance
TDIforAccess
United Spinal Association
USAging
Well Spouse Association