

U.S. House and Senate Notification
Tuesday, June 22, 2010

To: Congressional Health Staff

From: Amy Hall
Director, Office of Legislation
Centers for Medicare & Medicaid Services

Re: CMS Releases Guidance on ACA's Extension of the Money Follows the Person Rebalancing (MFP) Demonstration Program.

Today, the Centers for Medicare & Medicaid Services (CMS) released a State Medicaid Director letter that provides clarification and guidance on the Money Follows the Person Rebalancing (MFP) Demonstration Program. The MFP Rebalancing Demonstration Program provides grant and technical assistance to States to balance their long-term care systems and help Medicaid enrollees transition from institutions to the community. The MFP Demonstration Program, authorized by Congress in section 6071 of the Deficit Reduction Act of 2005 (DRA), is designed to help States shift Medicaid's long-term care spending from institutional care to home- and community-based services (HCBS). The Affordable Care Act included an extension of the MFP demonstration program for an additional 5 years (the funding was scheduled to expire at the end of FY 2011). The extension of the MFP Demonstration Program through 2016 offers States substantial resources and additional program flexibilities to remove barriers and improve people's access to community supports and independent living arrangements.

This guidance letter provides background about the MFP Demonstration Program, explains improvements made by the Affordable Care Act, details how the Affordable Care Act will impact current MFP grantees, and provides preliminary information for States that may be interested in pursuing a MFP demonstration. CMS will post a grant solicitation in late July to www.grants.gov to offer States not currently participating the opportunity to apply for an MFP Demonstration Program Grant through a competitive award process.

If you have questions about this notification, please contact the CMS Office of Legislation.

Thank you.