



Preserving Cost-Effective Care in Medicaid and the Impact of Federal Budget Cuts

The Texas Association for Home Care & Hospice (TAHC&H) releases the following statement regarding legislative developments that may impact the Medicaid Program. TAHC&H represents licensed home and community support services agencies that provide services in the home to Texas' most vulnerable populations, such as aged and disabled persons and children with complex medical conditions. These programs ensure individuals can remain at home and out of more costly institutional care as well as costly hospitals and emergency rooms providing significant savings to Medicaid.

"In consideration of the House Budget Bill and reconciliation framework that includes instructions to find \$880 billion in program reductions, we are relieved by assurances from House Leadership that the congressional majority will not pursue some of the most drastic proposals discussed, as options for reducing federal expenditures. As Congress continues to assess options to reduce federal spending, we support policies that ensure access to the high-value-cost-saving home and community-based programs that have proven to reduce overall health care spending in Medicaid.

An independent evaluation of Money Follows the Person, a grant program that transitioned individuals from institutional settings to the community, found that total spending on older adults decreased by 20 percent during the first year and 27 percent during the second year following their move to the community.¹ This program has helped over 49,000 Texans move back to their communities after living in an institutional setting. If Congress wishes to seek opportunities to reduce spending, we recommend they advance care models that provide cost-effective care without limiting access to these services.

We also recognize that there are opportunities to strengthen program integrity and reduce instances of fraud, waste, and abuse in the health care sector. TAHC&H supports actions that reduce fraud, waste, and abuse from bad actors without placing unnecessary burdens or unfairly punishing providers and beneficiaries who are acting in good faith. We look forward to working with Congress to advance policies that strengthen federal health care program oversight."

¹ <https://www.medicaid.gov/medicaid/long-term-services-supports/downloads/mfpfieldreport21.pdf>