



# Money Follows the Person Demonstration: Comments on Secretary's Report

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Medicaid and CHIP Payment and Access Commission

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# Overview

- Background on the Money Follows the Person (MFP) demonstration program
- Timeline and planning for demonstration's end
- Summary of findings from Secretary's report
- Potential areas for MACPAC comments
- Next steps

# Secretary's Report to the President and Congress on MFP

- The Secretary was required to send a final report to the President and Congress reflecting the findings of MFP evaluations, and to make conclusions on its conduct and effectiveness.
  - Posted December 4, 2017
- MACPAC's authorizing statute directs the Commission to review the Secretary's reports and submit written comments.

# Background

- MFP was first authorized by the Deficit Reduction Act of 2005
- Extended by the Patient Protection and Affordable Care Act of 2010
- As of September 2016, the Centers for Medicare & Medicaid Services (CMS) had awarded 43 states and the District of Columbia \$3.7 billion to help Medicaid beneficiaries transition from institutions back to the community

# Background

- CMS made first awards in fiscal year (FY) 2007.
- MFP assists beneficiaries who have resided in an institution for at least 90 days.
  - Beneficiaries receive home and community-based services (HCBS) beyond what is provided under a state's existing HCBS programs.
- States earn an enhanced match for certain services.

# Background

- Enhanced match may be used for rebalancing efforts.
  - Reducing waiting lists
  - Housing supports
- States also use funds to cover administrative costs, including investments in information technology.
- CMS provides technical assistance provided to participating states at no additional cost.

# Timeline for Demonstration's End

- CMS made final awards to states in FY 2016.
- States can transition beneficiaries through December 31, 2018.
- States can claim funds through FY 2020.

# Planning for Demonstration's End

- As part of final awards states had to submit sustainability plans.
- States need to have a way to pay for services they are sustaining beyond the demonstration.
  - Services will need to be incorporated into existing HCBS programs if they are not already.
  - State may be limited by budget pressures.
  - If states are not able to make these changes, transition services may be restricted to certain populations.
- States may not continue to provide some services because they were not highly utilized or beneficiaries did not find them helpful.



# Findings from the Secretary's Report to the President and Congress

# MFP Transitioned Over 63,000

- The number of beneficiaries transitioned through the MFP increased each year from 2008 to 2015.
  - In 2015, states transitioned 11,661 participants.
- States encountered a variety of challenges, including:
  - insufficient supply of affordable and accessible housing,
  - staff shortages (e.g., transition coordinators and case managers), and
  - low numbers of referrals from nursing facilities.

# Estimated \$978 Million in Savings from 2008 to 2013

- Savings to Medicaid and Medicare include beneficiaries who may have transitioned in absence of the program.
- In the first year after transitioning, monthly Medicaid expenditures per beneficiary declined by an average of:
  - \$1,820 (23 percent) for older adults,
  - \$1,783 (23 percent) for individuals with physical disabilities, and
  - \$4,013 (30 percent) for individuals with intellectual or developmental disabilities.

# Evidence MFP Participants Had Positive Outcomes

- MFP participants were less likely than a comparison group to be readmitted to an institution in the year after transition.
- Quality of life surveys showed improvement in satisfaction with care and living arrangements, and fewer reports of barriers to community integration.

# Other Findings

- MFP funds were used to create programmatic changes to promote rebalancing, including transition services that went beyond the demonstration.
- Challenges in identifying affordable and accessible housing led to increased collaboration between Medicaid programs and housing agencies.
- Data availability was a limitation for evaluators.

# Potential Areas for Comment

- Commission's thoughts on MFP results
- Sustainability of transitions
- Administrative data limitations
- Next steps in supporting rebalancing long-term services and supports

# Next steps

- Discussion of potential comments
- Drafting for Commissioners' review
- Submission to the Secretary and Congressional committees



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