



# **Mandated Study on Money Follows the Person**

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**Medicaid and CHIP Payment and Access Commission**

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# Overview

- Money Follows the Person (MFP) demonstration program
- Home- and community-based services (HCBS) settings rule
- Work plan for congressionally mandated study
- Next steps

# MFP Demonstration Program

- First authorized by the Deficit Reduction Act of 2005 (DRA, P.L. 109-171)
- Most recently extended through fiscal year 2023 by the Consolidated Appropriations Act, 2021 (CAA, P.L. 116-260)
- Forty-four states and the District of Columbia participated over the course of the program
- As of December 2019, transitioned 101,540 participants back to the community

# MFP Transition Services

- Assists beneficiaries who have resided in an institution for at least 60 days and want to return to the community
- Transition coordinators help beneficiaries develop and execute a plan to return to the community
- MFP participants are eligible for transition services for a one-year period
  - e.g., some services are above and beyond what states offer in their standard HCBS programs

# MFP Qualified Residences

- To participate in MFP, beneficiaries must transition to a qualified residence:
  - a home owned or leased by the beneficiary or a beneficiary's family member
  - an apartment with an individual lease
  - a community-based setting in which no more than four unrelated individuals reside

# MFP Rebalancing Funds

- States earn an increased federal match for providing certain services to MFP participants
  - The portion above and beyond the regular match are called rebalancing funds
- States use rebalancing funds to implement a strategy to increase access to HCBS
  - e.g., reducing HCBS waiver waiting lists or providing transition support to beneficiaries who do not qualify for MFP

# HCBS Settings Rule

- Published in 2014
- Intended to ensure that HCBS settings are different from institutions
  - Beneficiaries should have same employment access, ability to control personal resources, and engagement in community life as others in the community
- Applies to Section 1915(c) waivers and Sections 1915(i) and 1915(k) state plan options
  - CMS also applying to terms and conditions of Section 1115 demonstration waivers

# HCBS Settings Rule Standards

- Allow individuals to seek employment in competitive integrated settings
- Selected by the individual among a variety of settings
- Ensure individual rights to privacy, dignity and respect, and freedom from coercion and restraint
- Optimize individual autonomy in making life choices
- Facilitate individual choice in services and providers
- Have leases or written resident agreements in place, if provider-owned



# Settings Rule Implementation

- Statewide transition plans describe how states will assess providers and bring them into compliance
- Heightened scrutiny of settings with factors that have the effect of isolating beneficiaries
  - States must determine if settings with isolating characteristics have adequate mitigating factors (e.g., community activities)
- Providers must comply with the rule by March 17, 2023 to remain eligible for Medicaid HCBS payment

# Differences in Criteria

- MFP qualified residence criteria predate the HCBS settings rule and the two sets of requirements differ
  - Some states tied their review of settings to the MFP criteria, but this was not required
- In general, more settings are allowed under the HCBS settings rule than the MFP qualified residence criteria
  - e.g., the HCBS settings rule does not set a limit on the number of residents

# Mandated Study on MFP

- The CAA directs MACPAC to:
  - identify home- and community-based settings and associated services available in MFP and sites in compliance with the HCBS settings rule; and
  - if determined appropriate by the Commission, recommend policies to align criteria for qualified residence with the criteria in the HCBS settings rule

# Work Plan for Mandated Study

- Surveying state MFP program directors
- Interviewing stakeholders
- Assessing data availability
- Reviewing CMS guidance and evaluations

# Next Steps

- Staff will present survey results and interview themes in October
- Based on Commissioner interest, staff can develop policy options or draft recommendations
- Anticipate fulfilling mandate in 2022 report cycle



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