



# Money Follows the Person Mandate: Policy Options

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**Medicaid and CHIP Payment and Access Commission**

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December 9, 2021

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# Overview

- Mandated report
- Summary of past meetings
- Policy options
- Next steps

# Background on Mandated Study

- The Money Follows the Person (MFP) program helps beneficiaries in institutions return to the community
- MFP qualified residence criteria differ from the home- and community-based services (HCBS) settings rule
- Congress directed 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

# Review of Past Discussions

- September: Background on MFP and the HCBS settings rule
- October: Results of analytic work
  - Reviewed data on MFP transitions
  - Surveyed state MFP program directors
  - Conducted stakeholder interviews
- Stakeholders perspectives were mixed on whether MFP criteria should be changed
- Commissioners provided differing opinions on whether to make a recommendation and raised questions

# Policy Option 1: Maintain the Existing MFP Criteria

## Background

- MFP is one of several federal efforts created in the context of deinstitutionalization and rebalancing following the Americans with Disabilities Act (P.L. 110-325) and *Olmstead* decision
- MFP specifically focuses on transitions to smaller settings
- Both beneficiary preferences and reported satisfaction support smaller settings

# Policy Option 1: Maintain the Existing MFP Criteria

## Background

- Individuals residing in institutions may quickly lose access to their prior community residence
- Transitioning back to the community can require a significant investment
- MFP is a tool to transition beneficiaries

# Policy Option 1: Maintain the Existing MFP Criteria

## Rationale

- The Commission could describe the advantages of the criteria in focusing on small and highly integrated community settings
- Other Medicaid authorities may be used to transition beneficiaries without restrictions, but are not rewarded with additional funds
- MFP criteria may incentivize states to shift their HCBS systems toward smaller residences
- Disadvantages are that the pool of eligible settings is limited and states have to administer two standards for HCBS settings

# Policy Option 1: Maintain the Existing MFP Criteria

## Implications

- No effect on federal spending
- No change in state administration; we would expect similar numbers of transitions to continue
- Beneficiary residences would continue to be limited to settings that meet the existing criteria
- No direct effect on plans and providers



# Policy Option 2: Align MFP Residence Criteria with HCBS Settings Rule

## Background

- Until the HCBS settings rule was published in 2014, there were few specific Medicaid requirements for HCBS settings
- Intent of the rule is to ensure that HCBS settings are different from institutional settings
- Settings with characteristics that isolate beneficiaries will be ineligible for Medicaid HCBS payment after March 17, 2023, unless those characteristics are sufficiently mitigated

# Policy Option 2: Align MFP Residence Criteria with HCBS Settings Rule

## Background

- A few states predicted that they could make more MFP transitions if the requirements were aligned
- Some interviewees said any setting that meets the needs of an individual's person-centered plan should be permitted
- Some stakeholders said having a single definition of HCBS would avoid confusion or operational challenges

# Policy Option 2: Align MFP Residence Criteria with HCBS Settings Rule

## Rationale

- The Commission could recommend that the MFP qualified residence criteria be aligned with the HCBS settings rule
- Could open up more settings to MFP transitions
  - Would allow transitions to larger congregate settings that meet requirements in the settings rule
  - Would remove requirements that restrict transitions to assisted living (e.g., full kitchens)
- Disadvantage of removing focus on settings with greatest opportunities for autonomy

# Policy Option 2: Align MFP Residence Criteria with HCBS Settings Rule

## Implications

- Would change the timing of federal MFP spending
- Could be easier for states to administer
- Could allow states to transition more beneficiaries
- No direct effect on plans and providers

# Next Steps

- Commissioners decide whether to make a recommendation
- Presentation of the draft chapter in January, with or without a vote on a recommendation
- Publish chapter in March report to Congress



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