

# Money follows the person program

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## Reflecting back and looking forward

The delivery of high-quality, cost-effective health care is crucial to ensure our health care delivery system remains viable. Not just for today but also for the future.

### Reflecting back

In 2007, funds were made available to states by the Centers for Medicare & Medicaid Services (CMS) for the Money Follows the Person (MFP) Rebalancing Demonstration Grant program. Since its inception, 45 states and the District of Columbia, as well as the territories of American Samoa and the Commonwealth of Puerto Rico have participated in the demonstration. During the first 12 years of MFP demonstration transitions (2008-2020), more than 100,000 individuals were supported to transition to community-based settings<sup>1</sup>.

In 2013, five states were awarded MFP Tribal Initiative grants, including Minnesota, Oklahoma, North Dakota, Washington, and Wisconsin. These grants aimed to offer existing MFP state grantees and tribal partners to build sustainable home- and community-based services (HCBS) within Indian lands.

The MFP program has been extended numerous times since then, most recently through the Consolidated Appropriations Act of 2023 (signed into effect in December 2022), which extends the program through fiscal year 2027 at present funding levels of \$450 million per year.

The extension comes with a new caveat that any portion of funds not expended by the state within the four-year extension will be rescinded and added to the appropriation for the fifth succeeding fiscal year.

Prior year extensions also created new opportunities for states in how they use MFP funds, and who can qualify. The 2021 renewal reduced the minimum length of time in an inpatient facility before an individual can qualify for MFP from 90 to 60 days, and newly allowed for the days a person receives skilled nursing or rehabilitative services in a certified skilled nursing facility (NF) to be counted toward the length-of-stay requirement.

In 2022, CMS awarded approximately \$25 million in planning grants to five new states and territories. In the same year, the reimbursement rate for MFP “supplemental services” was increased, making them 100% federally funded with no state share. CMS coupled this increase with a newly expanded definition of “supplemental services,” which allows for additional services to be delivered to support an individual’s transition from an institutional setting into the community. These include short-term housing and food assistance.

Historically, the primary objectives of the MFP program were to provide people in need of long-term services and supports (LTSS) more choices about where they live and receive care, and to increase the capacity of state HCBS within LTSS programs.

<sup>1</sup> <https://www.medicaid.gov/sites/default/files/2022-08/mfp-2020-transitions-brief.pdf>

## Key MFP program outcomes

- Transition of 107,128 people through the end of 2020 to community living through MFP.
- Formal evaluations of the MFP program conducted by Mathematica show the establishment of formal transition and rebalancing programs emphasizing choice, dignity, and independence (that did not exist previously) have improved quality of life and lowered the cost of HCBS services.
- Analysis of the 17 states that began receiving MFP grant funding in 2007 suggest that MFP is associated with higher rates of transition than would have been predicted among older adults living in nursing homes and among individuals moving from intermediate care facilities for individuals with intellectual disabilities.
- Within the first six years of MFP transitions (2013), it was estimated that health care cost savings ranged between \$204 and \$978 million, depending on the number of transitions attributable to the MFP program.
- Promotion of interagency collaboration between state agencies and community partners to integrate health-related and housing programs helps to identify and secure affordable and accessible housing.
- Campaigns to promote awareness of transition services, addressing workforce capacity issues, NF in-reach, direct support worker registries, enhanced employment supports, and investments in information systems and data collection capabilities.
- While not consistently identified as an issue, managing the growth of NF services is also critical to the state balancing efforts. In 2015, Balancing Incentive Program states participated in a survey that found that the number one way to impact the growth of NF was a strong transition program like MFP.

Through the MFP program, states have identified the primary barriers to transition. These include:



## Looking forward

At present, 36 states and the District of Columbia participate in the MFP Program.

Currently, CMS is advising grantee states to use data to improve MFP program performance. Quality improvement strategies such as the Plan-Do-Study-Act framework and SMART (specific, measurable, achievable, realistic/relevant, time-bound) have been advised by CMS along with diverse types of data management and analysis to support states to maximize data to drive decision making and ultimately improve MFP programs. CMS has signaled that MFP programs will be required to report on certain administrative measures included in the HCBS quality measure set.

Mercer Government understands that each state may be in a different place on the MFP planning continuum and recognizes the barriers that implementation presents. Based on our experience working with states on MFP sustainability, we have developed tools and designed our approach to help meet implementation goals regardless of where clients are in the process.



<b>S</b>	<b>SPECIFIC:</b> Goal should be detailed and action-oriented.
<b>M</b>	<b>MEASURABLE:</b> Consider how you will measure success (quantity/quality) and evaluate whether or not the goal has been achieved.
<b>A</b>	<b>ACHIEVABLE:</b> Strike a balance between challenging your organization and being realistic. Consider current resources and lessons learned.
<b>R</b>	<b>RELEVANT:</b> Evaluate the relationship between the goal and the “big picture”. How does the goal advance your overall objectives?
<b>T</b>	<b>TIME-BOUND:</b> Select specific dates for deliverables, action items, and milestones; this should include both short and long-term goals.

## Questions you may pose to states as they consider how to sustain their MFP program

Is the state still transitioning individuals under the MFP program? Is the state interested in continuing its transition-related activities?

- Are you familiar with the state's MFP sustainability plan and how it is being acted upon? Does the Plan need to be modified due to funding limitations or changes in priorities?
- Has the state identified the components of its MFP program it wishes to maintain and has it identified the authorities by which it can receive Federal Financial Participation (FFP)?
- Are there rebalancing funds available in your state to support implementation of the MFP Sustainability Plan?
- Is there a need to add MFP demonstration and/or supplemental services to the state's HCBS waiver(s), managed LTSS program, or other programs to replace those no longer available under MFP?
- How does the state ensure the systems put in place during the MFP program have the capacity to continue to support transitions and how can these systems be a catalyst for the state's rebalancing efforts?
- Has the state considered how MFP requirements might be incorporated into waiver performance measures or value-based payment strategies?

## Mercer Government has developed an MFP sustainability toolkit

This includes a variety of documents to help support states with their sustainability efforts.

- Strategies for effective MFP Sustainability Plan implementation
- Aggregate Minimum Data Set (MDS) data analysis for states regarding Section Q responses
- Surveys for eliciting feedback and sustainability recommendations from Local Contact Agencies and Transition Coordinators
- Approaches to analyze the broader LTSS continuum and determine the cost-effectiveness of the program
- Consideration of options available for the continued measurement of the Quality of Life indicators

- Federal authorities that can be used to draw FFP for transition coordination activities
- Diversion and transition best practice literature reviews

## MFP funding has been utilized to:

- Build infrastructure to support the LTSS systems needed to facilitate movement from facility-based to community-based settings.
- Develop systems for capturing, reporting, and following up on MDS Section Q responses which indicate an NF resident's desire to move back to the community.
- Fund staff for administrative purposes and to identify and assist participants with transitions.
- Fund the development and implementation of an array of innovative housing pilot programs through the use of MFP-enhanced Federal Medical Assistance Percentage (commonly referred to as "rebalancing" funds for HCBS).
- Help states understand the impact of the program on the Quality of Life of individuals who transitioned.

## It is important moving forward because:

- Failure to sustain the LTSS infrastructure built through MFP could slow states' rebalancing efforts and put states at risk for Olmstead challenges.
- The Section Q process allows individuals to make their preferences known, ensures they receive information about their LTSS options, and serves as a source of referrals to MFP programs.
- Loss of staff with expertise and knowledge of cross-population transition activities could erode intellectual property developed throughout the program and lead to the atrophy of grassroots systems that have produced a program with reduced Medicaid costs.
- Existing rebalancing funds can be leveraged to help sustain the program. Many states have available funding to assist transitioning the program into the Medicaid HCBS system. This will help sustain existing relationships with critical housing development resources that cannot be funded by Medicaid.
- States will no longer be required to capture Quality of Life survey data. Administration of a quality of life survey is the cornerstone of determining the effectiveness of transition as well as diversion programs.

## For more information

Visit our website at [www.mercer-government.mercer.com](http://www.mercer-government.mercer.com) to view our experience, services, and client feedback.

