

**MERCER GOVERNMENT
HUMAN SERVICES
CONSULTING**



Money Follows The Person Program

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. Nearly every state and the District of Columbia participated in the demonstration, receiving a total of close to \$3.7 billion in grant funding to support the transition of more than 75,000 individuals from facility based settings back to their home communities.

In September 2016, the final allocation of grant funding was awarded which enabled states to continue transitions through 2018 and supported program sustainability and integration efforts through Federal Fiscal Year (FFY) 2020. While additional funding may be available in the future through a bill under consideration in Congress, there is no guarantee of long-term support.

States should evaluate the positive impacts of MFP for individuals as well as the cost effectiveness of the program that results when serving individuals in the community rather than institutions. In the event that the re-authorizing language does not pass, states will need this information to develop and implement strategies for integrating MFP program elements into their Medicaid long-term services and supports (LTSS) programs.

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

KEY MFP PROGRAM OUTCOMES

- On average, total Medicare and Medicaid per-beneficiary per month (PBPM) expenditures declined by approximately 23% for older adults and people with physical disabilities during the first year following transition from a nursing home and by 30% for the first year following transition for participants with an intellectual disability
- Second year costs (13-24 months' post transition) declined because first year one-time transition related costs were no longer applicable
- 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

- 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, nursing facility (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 nursing facility 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 nursing facilities was a strong transition program like MFP

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

- Availability of affordable and accessible housing;
- Insufficient supply of HCB LTSS (e.g., transportation, home modifications and self directed services); and
- Deficits in LTSS Workforce Capacity

LOOKING FORWARD

While Delaware, Kansas, Michigan, New Hampshire, Texas Vermont and Virginia ended their MFP programs and conducted their final transitions in 2016 and 2017, most states are transitioning individuals until December 31, 2018. Even though transitions under the program will end in 2018, all states are required to ensure appropriate oversight and monitoring of MFP participants for 365 days following discharge from a facility. As a result, MFP activities will continue through the end of 2019. Many states are currently considering how to maintain transition activities as the grant comes to a close in 2020.

Participating MFP states were asked to submit to CMS an MFP Sustainability Plan to help integrate the program into the Medicaid LTSS system after grant funds are no longer available. These plans describe how systems put in place during the grant might be supported or enhanced heading into the final years of the program. The plans include detail around what portions of a state's MFP program will be sustained outside of the grant and how they will be sustained as well as how states will utilize any remaining rebalancing funds. While CMS ultimately was not able to fully fund the plans in most states, over \$1.5 billion in MFP grant funding was allocated through 2020 to support sustainability activities.

Mercer 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.

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 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 long term services and support 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 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 MDS data analysis for states regarding Section Q responses
- Surveys for eliciting feedback and sustainability recommendations from Local Contact Agencies (LCAs) and Transition Coordinators (TAs)
- 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

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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 minimum data set (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 home- and community-based LTSS services)
- 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 LTSS 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