

# **Money Follows the Person (MFP): Opportunities for Long-Term Care (LTC) Systems**

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## Principal Aims

- Reduce reliance on institutional care
- Develop community-based LTC opportunities
- Enable people with disabilities to participate fully in their communities



# Today's Presentation

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- **Overview of the MFP program**
- **Starting point for states**
  - Baseline for LTC systems
  - Baseline rates of transitions from institutional to community-based care
- **Grantee goals and early implementation experiences (Debra Lipson)**

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# Overview of the MFP Program

# MFP Demonstration Grants Awarded

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- **30 grantees (29 states and DC)**
  - 17 in January 2007
  - 14 in May 2007
  - 1 state not implementing a program
- **Size of Awards**
  - Total awards to date: \$1.44 billion
  - Wide range of state commitments, from \$5.4 million to \$142 million

# Two Programs in One

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- **Each state is implementing two programs**
  - Transition program
  - Rebalancing program

# Transition Program

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- **Medicaid beneficiaries in institutional care for at least six months**
  - Nursing homes, hospitals, intermediate care facilities for the mentally retarded, institutions for mental diseases
- **Transition to a “qualified” residence**
  - Home, apartment, or group home with four or fewer people
- **Quality assurance**
  - 24-hour backup
  - Risk assessment and mitigation processes
  - Incidence reporting and management systems

# Transition Program (cont'd.)

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- **MFP Services**

- Eligible for one year – 365 days
- Package of home- and community-based services (HCBS)
  - Qualified HCBS
  - Demonstration HCBS
  - Supplemental services

- **Continuity of services**

- After MFP eligibility ends, qualified HCBS must continue based on beneficiary's Medicaid eligibility status



# Rebalancing Program

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- **Enhanced matching funds**
  - **Qualified HCBS**
  - **Demonstration HCBS**
- **Reinvest enhanced matching funds in LTC**
  - **Medicaid beneficiaries who use LTC supports and services**
  - **Overall service system**

# In Summary

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- **States are...**
  - **Transitioning beneficiaries with particularly challenging needs**
  - **Making investments in the LTC infrastructure**

# National Evaluation of MFP

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- **State-level analyses**

- **Trends in:**

- LTC use, such as increasing use of HCBS
    - LTC expenditures

- **Individual-level analyses**

- **Increasing transition rates**

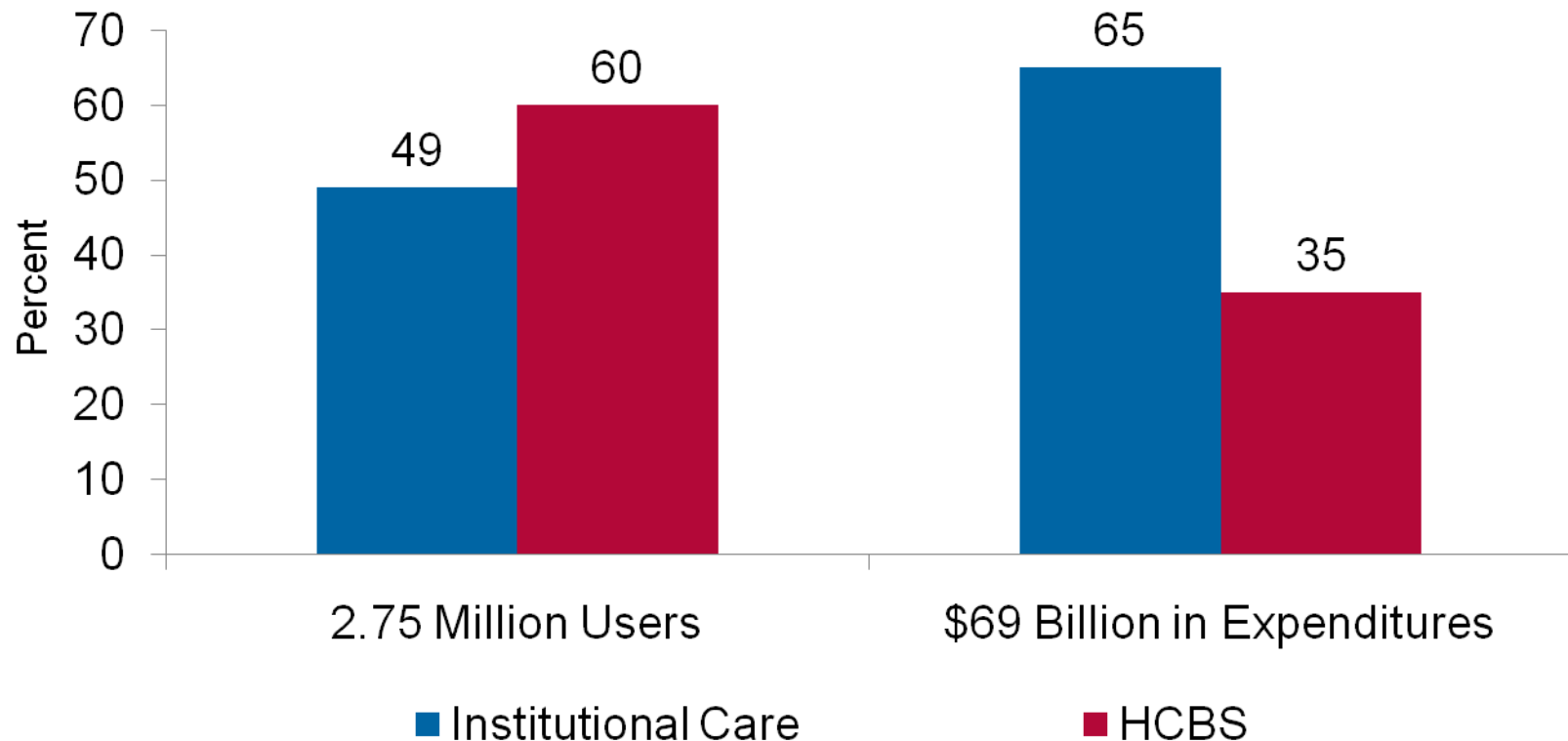
- **Successful transitions**

- Low reinstitutionalization rates
    - Improved quality of life

# Balance of LTC Systems at Baseline—2005

# Balance of Use and Expenditures in 2005

While more than half of LTC users receive HCBS, institutional care accounts for most LTC expenditures.



Source: MAX 2005 for 30 MFP states.

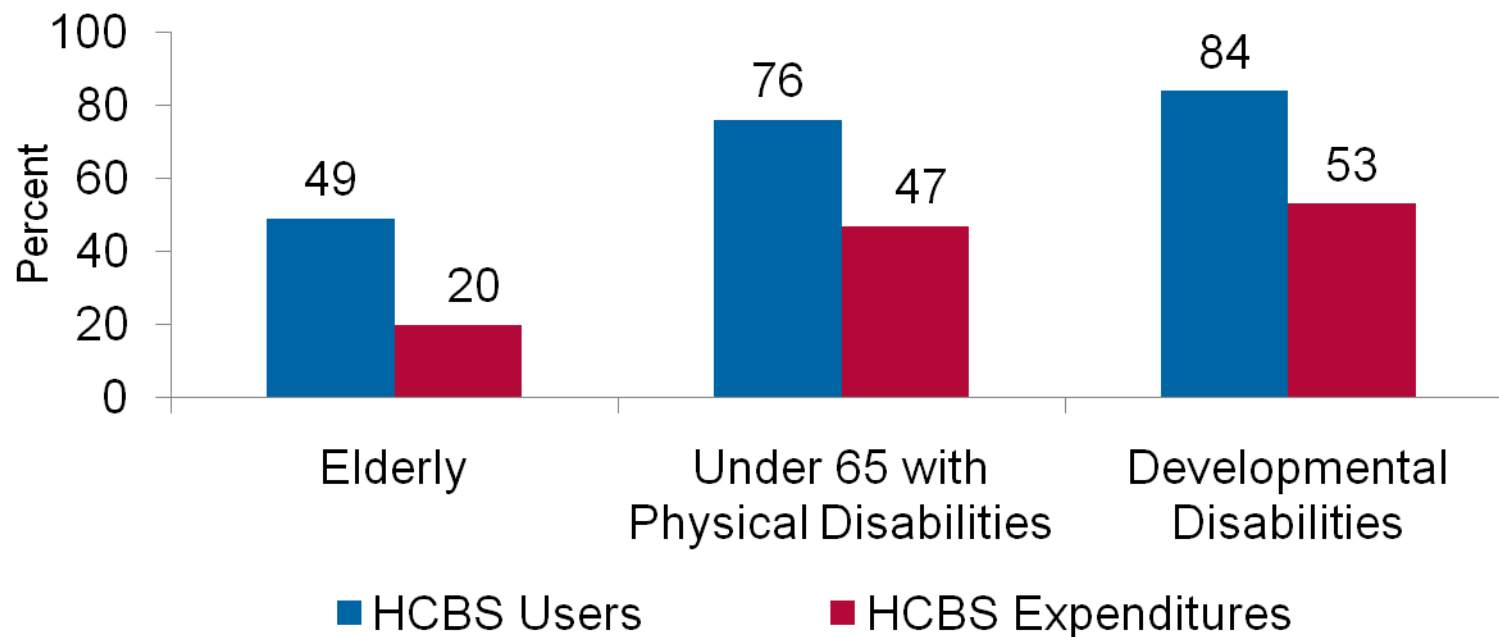
# LTC Users

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- **A diverse population uses LTC services and supports**
  - 55 percent—elderly
  - 27 percent—people under age 65 with physical disabilities
  - 15 percent—people with developmental disabilities
  - 3 percent—people with chronic mental illness

# HCBS Use and Expenditures

**The challenge will be to increase HCBS use and expenditures among the elderly and beneficiaries under age 65 with physical disabilities.**



Source: MAX 2005 for 30 MFP states.

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# Transition Rates at Baseline—2004



# Size of the Population Eligible for MFP

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- **Approximately one million people institutionalized for 6 or more months, or about 75 percent of those in institutional care in 2004**
  - **Considerable variation across states**
    - 3,000 in Delaware
    - 126,000 in New York

Source: MAX 2004 for 31 MFP states.

# Diversity of the Eligible Population

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- **Elderly account for most of the eligible population**
  - 77 percent—elderly
  - 14 percent—people under age 65 with physical disabilities
  - 9 percent—people with developmental disabilities
  - 1 percent—people with chronic mental illness

Source: MAX 2004 for 31 MFP states.

# Baseline Transition Rates

MFP is an important opportunity to improve low transition rates.

Population	Lower Bound	Upper Bound
Overall	2.2 percent	5.9 percent
Elderly	1.7 percent	4.4 percent
Under 65 with physical disabilities	4.5 percent	12.1 percent
Developmental disabilities	2.5 percent	3.9 percent

Source: MAX 2004 for 31 MFP states.

# Number of Transitions in Original Plans

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- **Number of transitions proposed (in flux)**
  - About 37,700, or 0.9 percent of eligible population
  - Transition targets vary by state
    - 100 to 3,350
- **Disproportionately targeting those under age 65 and people with developmental disabilities**
  - 44 percent—elderly
  - 29 percent—people under age 65 with physical disabilities
  - 20 percent—people with developmental disabilities
  - 6 percent—people with chronic mental illness
  - 1 percent—people with other conditions/dual diagnoses

# Potential Effects on Transition Rates

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- **May increase the rate of transitions among the long-term institutionalized population by 15 to 40 percent in grantee states**
  - **Ranges from a 3 to 87 percent increase across states**