



# Senate

General Assembly

**File No. 600**

February Session, 2008

Substitute Senate Bill No. 561

*Senate, April 14, 2008*

The Committee on Appropriations reported through SEN. HARP of the 10th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING THE MONEY FOLLOWS THE PERSON PROJECT.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 17b-369 of the 2008 supplement to the general  
2 statutes is repealed and the following is substituted in lieu thereof  
3 (*Effective from passage*):

4 The Commissioner of Social Services, pursuant to Section 6071 of  
5 the Deficit Reduction Act of 2005, may submit an application to the  
6 Secretary of Health and Human Services to establish a Money Follows  
7 the Person demonstration project. Such project shall serve not more  
8 than [seven hundred] five thousand persons and shall be designed to  
9 achieve the objectives set forth in Section 6071(a) of the Deficit  
10 Reduction Act of 2005. Services available under the demonstration  
11 project shall include, but not be limited to, personal care assistance  
12 services. The commissioner may apply for a Medicaid research and  
13 demonstration waiver under Section 1115 of the Social Security Act, if  
14 such waiver is necessary to implement the demonstration project. The



The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect
Department of Social Services	GF - See Below

**Municipal Impact:** None

**Explanation**

This bill increases from 700 to 5,000 the number of people who may be served by the Money Follows the Person (MFP) program. This change is not expected to have any immediate fiscal impact, as it is expected to take five years to implement the currently allotted 700 slots. Without additional program staff, it is not expected that the Department of Social Services (DSS) will be able to increase the implementation rate.

Should the federal government approve a MFP amendment to increase the number of slots, and if DSS is able to place more individuals in the community, a future revenue gain will result. The federal government provides an enhanced Medicaid match (75% instead of 50%) for the first year that an individual is placed in the community. To the extent that the expenditures in the community are less than that in the nursing home, DSS may realize Medicaid savings as well.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****sSB 561*****AN ACT CONCERNING THE MONEY FOLLOWS THE PERSON PROJECT.*****SUMMARY:**

This bill increases, from 700 to 5,000, the number of individuals who can be served under the state's plan for participating in the federal Money Follows the Person (MFP) Demonstration program. MFP is a five-year program that permits states to move individuals out of nursing homes or other institutional settings and into less-restrictive, community-based settings.

The Department of Social Services (DSS) has developed a protocol for the demonstration, which needs federal approval before it can be implemented.

EFFECTIVE DATE: Upon passage

**BACKGROUND*****MFP***

In 2005, Congress, as part of the Deficit Reduction Act, enacted the MFP provisions as a way to encourage states to rebalance their long-term care spending by moving individuals from nursing homes or other institutions into less-restrictive, community-based settings. The law requires that program participants (1) reside in the nursing home for at least six months and (2) need a nursing home level of care once they leave.

States that run the demonstration projects are eligible for an enhanced federal match (75% instead of 50%) of state expenditures for the first year of Medicaid-eligible services. For some of these services, states must commit to providing them once the year is up through

some other authority (e.g., federal home- and community-based services waiver). Federal matching funds (50%) are also available to support services not allowed by Medicaid that the state will provide during the demonstration, such as housing coordinators.

Other federal law allows states to provide Medicaid-funded community-based services to the elderly and disabled and Connecticut currently runs several waiver programs that offer these services. These programs generally have enrollment caps. State law allows the DSS commissioner to modify the existing Medicaid waivers if necessary for carrying out the demonstration.

**COMMITTEE ACTION**

Human Services Committee

Joint Favorable Substitute Change of Reference  
Yea 18 Nay 1 (03/13/2008)

Appropriations Committee

Joint Favorable Substitute  
Yea 51 Nay 0 (04/01/2008)