

Money Follows the Person (MFP)

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December 19, 2019 | 2019-R-0302

Issue

This report provides an overview of the Money Follows the Person (MFP) federal demonstration program, one of Connecticut's major long-term care rebalancing initiatives. It updates OLR Report [2017-R-0256](#).

MFP Overview

Authorized by the Deficit Reduction Act of 2005, MFP was designed to help states rebalance their long-term care systems and support Medicaid enrollees who choose to transition from living in institutions to less restrictive, community-based settings. It serves the elderly and individuals with mental illness and developmental disabilities by offering (1) enhanced federal Medicaid reimbursement for services for the first 12 months the participant lives in the community (i.e., 75%, instead of 50% reimbursement) and (2) flexibility to provide supplemental support services, such as housing coordinators, that Medicaid does not typically cover. States must continue to provide community-based services after the 12-month period for as long as the person remains Medicaid eligible and in need of services. States are also expected to reinvest the savings they realize through the program. Connecticut is one of 43 states, plus the District of Columbia, participating in the program.

The program began in 2007 and was extended through 2016 by the Affordable Care Act. The current federal statute authorizes the Centers of Medicare and Medicaid Services (CMS) to enter into contracts through 2024, with Congress-approved funding through December 2020. On December 6, 2019, the Senate Finance Committee released a bill (referred to as the "[Prescription Drug Pricing Reduction and Health and Human Services Improvements Act](#)") that, if passed, will provide a total of \$1.8 billion in additional funding for MFP programs through 2023.

The Department of Social Services (DSS) implemented MFP in December 2008 and expects to have a new contract shortly. To qualify, a person must (1) have been institutionalized for at least 90 days and (2) meet Medicaid eligibility criteria. In addition, it cannot cost more to care for the person in the community than in an institution. After someone qualifies for MFP, DSS assesses the person's service needs, develops a care plan, and helps the person find housing and services.

According to DSS, for FY 19, MFP received 1,366 applications and supported 496 individuals in transitioning from nursing facilities to the community. Of these, 217 of these were elders (over age 65), 176 were under age 65 with physical disabilities, 76 had behavioral health disabilities, and 27 had intellectual disabilities. An additional 40 participants who did not meet MFP criteria were also transitioned (e.g., moved to a non-qualified MFP setting, such as a residential care home). For FY 19, total state expenditures were \$8,048,529 and federal reimbursements received totaled \$23,807,124.

In June 2018, the legislature removed the statutory cap that limited the program to serving no more than 5,000 participants ([PA 18-99](#)). As of June 30, 2019, DSS transitioned over 5,298 institutionalized people into the community since the program's inception, with an additional 655 participants expected to transition in FY 20.

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