

LONG TERM CARE IN BRIEF: EXPLAINING MONEY FOLLOWS THE PERSON

HR 3590, Sec. 2403: Money Follows the Person Rebalancing Demonstration

The Patient Protection and Affordable Care Act (PPACA) signed into law on March 23, 2010, extends the Money Follows the Person Rebalancing Demonstration (HR 3590 Sec. 2403) through 2016. Originally authorized by Section 6071(h) of the Deficit Reduction Act of 2005 (DRA), the program was set to expire at the end of 2011. Additionally, the health reform legislation contains language altering the program's originally authorized institutional residency period requirements. The basic premise of Money Follows the Person (MFP) remains unchanged through the PPACA, as through an enhanced FMAP, MFP will continue to incentivize states to rebalance their Medicaid long-term programs by providing more services in the community.

What is the background of the program? Originally authorized by the Deficit Reduction Act of 2005 (DRA), the Money Follows the Person (MFP) Demonstration is a Medicaid program designed to support state efforts to rebalance their Medicaid long-term care programs by shifting service provision to the community and away from institutionalized care. The DRA authorized \$1.7 billion for the MFP, and 31 states received grants to participate in the program by transitioning Medicaid-enrolled nursing facility residents to their homes or other community settings. These grants took the form of an enhanced FMAP that states received for the services they provided to program participants for the first year after a participant's transition.

Who can participate in the program? MFP is a Medicaid program, and all individuals served must be Medicaid beneficiaries who meet the institutional residency requirements. As created by the DRA, these beneficiaries must have been institutionalized for not less than six months, and states had the flexibility to impose a longer minimum residency requirement of up to two years. The PPACA reduces the minimum residency requirement from six months to 90 days and eliminates the state authority to impose a longer minimum period. However, the new residency requirements provide that any days a Medicaid beneficiary spends in an institution receiving short-term rehabilitative services will not be counted towards reaching this 90 day requirement.

How does the program operate? The program will continue to encourage states to transition Medicaid-enrolled individuals from institutions to the community, where the individuals will maintain their Medicaid coverage and have it delivered through home and community based service programs. States are provided an incentive to participate in the program in the form of an enhanced FMAP with

respect to the services provided for the first twelve months after the individual is successfully transitioned. Upon moving back to the community, the individual will continue to receive these services under Medicaid as long as the program participant continues to meet the Medicaid eligibility requirements, and as long as the state continues to operate the HCBS program into which the individual was enrolled upon transition.

IMPORTANT DATES

30 days following Enactment	MFP will be authorized for each of fiscal years 2011 - 2016
2011 – 2016	MFP is authorized