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Money Follows the Person Grant

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Chairman Crum and members of the Committee, thank you for the opportunity to appear before you today to discuss the federally funded Money Follows the Person Grant. The Centers for Medicare and Medicaid Services (CMS) awarded a five year “Money Follows the Person” demonstration grant to SRS in 2007. This grant has now been extended to 2016. The purpose of the grant is to transition individuals out of institutions into the community, allowing their Medicaid funding to pay for community based services.

Money Follows the Person (MFP) Grant

The federally funded Money Follows the Person (MFP) demonstration grant is designed to enhance participating states’ ability to increase the capacity of approved HCBS programs to serve individuals that are currently residing in institutional settings. The benefit for Kansas is enhanced federal funding to create additional community capacity, facilitate private Intermediate Care Facilities for people with Mental Retardation (ICFs/MR) voluntary bed closure, train staff, and ensure individuals have the supports in their homes to be successful, reducing the risk of re-institutionalization.

Target populations for this grant include persons currently residing in nursing facilities and both public and private ICFs/MR. Individuals must have resided in the facility for a minimum of 90 days, which is a decrease from an original minimum of six months. The federal Affordable Care Act reduced the length of stay in order to enhance the program and decrease the cost of institutional placement. Persons must also have been Medicaid eligible for a minimum of 30 days to be eligible to move into the community through this program.

The primary features of the demonstration project are:

- Services are funded at an enhanced 80% Federal match for the first 365 days the individual receives services in their home community;
- Provides an opportunity for Kansas to utilize the state savings created by the enhanced Federal match to build capacity in local communities; and
- Will benefit Kansas through the addition of approximately \$37 million additional Federal dollars over the life of the grant.

The impact of the MFP demonstration on the current HCBS Waivers is:

- Each person leaving the institutional setting must be eligible for the corresponding HCBS Waiver service;
- Each person must move directly from the demonstration project into the HCBS Waiver program without interruption / waiting for services; and
- Each person will have “money follow the person” from the institutional setting into the corresponding qualified waiver.

Individuals began moving from institutions to the community on July 1, 2008. A major success of this program has been the closure of New Horizons, in Pittsburg, which was the last large bed private ICF/MR facility in the state. This resulted in over fifty individuals moving to the community. These individuals now receive services through the MR/DD Wavier. Through this program a total of 58 ICF/MR beds were closed. The Money Follows the Person program will be an important tool in the closure or downsizing of the public ICF/MRs.

SRS and Kansas Department on Aging (KDOA) are working together with the LTC Ombudsman office to identify individuals that are currently residing in qualified institutional settings and assist them to move into home settings of their choice.

SRS, as the lead agency for the demonstration grant, has partnered with the KDOA to develop benchmarks and implementation strategy. Additionally, Kansas Health Policy Authority is an integral partner as the Single State Medicaid Agency.

The individuals transitioning into the community are representing the developmentally disabled, traumatic brain injury, physically disabled and elderly population groups. Kansans who have chosen community living in FY 2010 include 38 persons with physical disabilities, 4 persons with a traumatic brain injury, 25 individuals with developmental disabilities, and 40 persons that are elderly. During FY 2011 there have been an additional 73 individuals with physical disabilities, 3 persons with a traumatic brain injury, 4 individuals with developmental disabilities, and 27 persons that are elderly access services through this grant program. Since the beginning of the program there has been a total of 333 people move to the community from an institutional setting, 103 individuals with a developmental disability, 10 with a traumatic brain injury, 134 with a physical disability, and 86 persons that are elderly.

Money Follows the Person Cost Avoidance

The long term goal of the Money Follows the Person Grant is to rebalance the long term care budget by shifting spending from institutional budgets to community based services budgets as individuals make the decision to move back into the community. The intent is to offer individuals a choice, not to mandate they move to the community. This project is to assist those individuals in the process by providing education regarding community based options and then assistance in setting up a residence in the community if needed. This assistance is offered in the way of funds being available for the purchase of household items such as bedding, kitchen items, and assistance in getting the utilities set up with deposits. These items are being funded with the savings to the state as a result of the enhanced match rate that is being received. Portions of the savings are also being utilized to assist facilities in the issues they face in closing a facility, i.e. staff retention during the closing process. Over the life of this project the cost avoidance to the state occur as the result of persons being served in the community as opposed to an institution which when reviewed in the aggregate is more cost effective.

This concludes my testimony; I will stand for questions.