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## Lessons Learned from Eight Years of Supporting Institutional to Community Transitions Through Medicaid's Money Follows the Person Demonstration

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For the last eight years, states have been helping Medicaid beneficiaries move from institutions to the community through the Money Follows the Person (MFP) demonstration. MFP is aimed at reducing the Medicaid program's institutional bias, which exists because nursing facility services must be covered while most [home and community-based services \(HCBS\)](#) are provided at state option. The program seeks to help beneficiaries overcome barriers to returning to community living, which arise because housing and other community supports often are lost after residing in an institution for a period of time. The first MFP programs began transitioning beneficiaries to the community in 2008, and [44 states](#) are participating in MFP as of 2015. Federal funding for the program expires in September 2016,<sup>1</sup> although states have until 2020 to spend their grants.

The Kaiser Family Foundation's Commission on Medicaid and the Uninsured has periodically surveyed MFP states since 2008.<sup>2</sup> We also have conducted case studies taking a closer look at programs in specific states<sup>3</sup> and profiled the experiences of individual MFP beneficiaries.<sup>4</sup> Based on the information and data collected in our six surveys, we have identified some lessons learned from the program that could inform future policy-making seeking to rebalance [Medicaid long-term services and supports \(LTSS\)](#) spending in favor of HCBS over institutional care.

**First, transitioning people from institutions to the community is a complex undertaking that takes time and resources to implement.** [States reported](#) that MFP implementation required extensive planning at the state level in addition to collaboration with CMS. States that did not already have nursing facility transition programs in place needed time to further develop the necessary service and provider infrastructure to support beneficiaries in the community before beneficiaries were able to transition. Once the initial planning and resources were in place, MFP transition progress has been slow but steady. States reported 349 completed transitions as of summer [2008](#). This increased to 9,000 cumulative transitions as of [2010](#), nearly 17,000 in [2011](#), over 25,000 in [2012](#), over 35,000 in [2013](#), and over 52,000 as of mid-[2015](#). While seniors and people with physical disabilities remain the majority of MFP beneficiaries, states have been able to focus more efforts on reaching populations with higher needs after having several years of experience with MFP by identifying the outreach strategies proven to be most effective and the services that beneficiaries need to support their transitions. Notably, states have steadily increased MFP transitions for people with mental

illness in recent years, realizing a [77% increase in cumulative transitions for this population from 2013 to mid-2015](#).

**Second, case management services are a critical part of supporting beneficiaries in the community, before, during, and after transitions.** Numerous issues can arise when planning for transitions, such as locating a place to live, connecting utilities, obtaining household furnishings, finding community-based providers, and putting back-up systems in place. Navigating these issues often requires individualized assistance from someone who is knowledgeable about available community-based resources. Post-transition case management support can help keep beneficiaries in the community by ensuring that services are provided and navigating any issues that arise, which is particularly important when beneficiaries rely on services like personal care to help them with daily activities such as eating and dressing. In addition to the HCBS that support beneficiaries' daily living, other [key services offered by MFP](#) including modifications to make housing accessible, assistive technology, and one-time transition expenses such as security and utility deposits and purchasing household furnishings. In recent years, some states have been able to think more holistically about beneficiaries' quality of life and community integration by offering supported employment services, like job coaching and non-medical transportation, for beneficiaries who want to work.

**Finally, access to affordable and accessible community-based housing has been a consistent challenge since the program's inception.** Medicaid beneficiaries have low incomes, which limits their ability to pay market rents, and there is an inadequate supply of affordable housing in the community often with long waiting lists for housing subsidies. While [Medicaid can fund services needed to support beneficiaries with disabilities living in the community](#), Medicaid does not cover housing costs, making a lack of housing the main barrier to transitions. To address this issue, [31 states used MFP funds to hire housing coordinators](#) as of 2015. This has enabled state Medicaid agencies to form and strengthen partnerships with state and local housing authorities, landlords, and developers to identify and develop affordable housing resources, increase access to housing subsidies targeted to seniors and people with disabilities transitioning from institutions to the community, and provide information about available housing options to beneficiaries identified as candidates for transition.

MFP has had a substantial impact on the lives of over 52,000 beneficiaries who have been supported in moving from institutions to the community during the last eight years. The program has helped states establish and strengthen the services, staffing, and strategies necessary to help beneficiaries transition. The program also has helped states control LTSS costs, as most states report that serving beneficiaries in the community costs less than institutional care, and no state has found that institutional care is less expensive than HCBS for MFP participants. States also have been able to use their MFP experience and funding to develop other Medicaid HCBS options provided by the Affordable Care Act, such as the [Balancing Incentive Program](#). All of these efforts have contributed to tipping the balance of LTSS funds, with [2013 marking the first year that HCBS is a majority of LTSS spending](#), after years of steady progress.

There are some areas in which states' rebalancing efforts could be further strengthened. While states have made progress in increasing access to HCBS, an unmet need remains [with over 500,000 people on Medicaid HCBS waiver waiting lists](#) in 2013. Greater access to services in the community could help to divert people from nursing homes in the first place and prevent their needs from deteriorating and becoming more costly in

the future. In addition, an increasing number of states are implementing [capitated managed LTSS programs](#), which must be coordinated with institutional to community transitions; a [small but growing number of states reported encountering challenges](#) in this area. Efforts to support an adequate supply of direct care workers also are important to transition efforts, and this remains an area of concern for some states. Finally, states are working to develop [quality measures](#) that better reflect beneficiaries' quality of life and [capture progress in rebalancing](#) to evaluate the relative success of various initiatives.

With federal MFP funding set to expire in 2016, questions remain about states' ability to continue to build on what they have learned from their MFP experiences in the future. States are engaged in sustainability planning to determine which MFP services and activities can be continued if the program is not re-authorized. While some HCBS can be offered through existing Medicaid authorities, [states report](#) that other demonstration services will end when the program expires. In addition, whether states can obtain funding to continue staff positions to support transitions, such as housing coordinators, remains uncertain and will be subject to administrative and budgetary priorities at the state level. With the upcoming expiration of the MFP demonstration, it will be important to examine what states have learned from the program when developing future LTSS policy initiatives and to consider how states can continue in their efforts to help beneficiaries move from institutions to the community.

## Endnotes

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<sup>1</sup> [42 U.S.C. § 1396a \(note\)](#).

<sup>2</sup> Kaiser Commission on Medicaid and the Uninsured, *Money Follows the Person: A 2015 State Survey of Transitions, Services, and Costs* (Oct. 2015); Kaiser Commission on Medicaid and the Uninsured, [Money Follows the Person: A 2013 State Survey of Transitions, Services and Costs](#) (April 2014); Kaiser Commission on Medicaid and the Uninsured, [Money Follows the Person: A 2012 Survey of Transitions, Services and Costs](#) (Feb. 2013); Kaiser Commission on Medicaid and the Uninsured, [Money Follows the Person: A 2011 Survey of Transitions, Services, and Costs](#) (Dec. 2011); Kaiser Commission on Medicaid and the Uninsured, [Money Follows the Person: A 2010 Snapshot](#) (Feb. 2010); Kaiser Commission on Medicaid and the Uninsured, [Money Follows the Person: An Early Implementation Snapshot](#) (June 2009).

<sup>3</sup> Kaiser Commission on Medicaid and the Uninsured, [Maryland's Money Follows the Person Demonstration: Support Transitions Through Enhanced Services and Technology](#) (April 2014); Kaiser Commission on Medicaid and the Uninsured, [Tennessee's Money Follows the Person Demonstration: Supporting Rebalancing in a Managed Long-Term Services and Supports Model](#) (April 2014); Kaiser Commission on Medicaid and the Uninsured, [Case Study: Michigan's Money Follows the Person Demonstration](#) (Feb. 2013); Kaiser Commission on Medicaid and the Uninsured, [Roads to Community Living: A Closer Look at Washington State's Money Follows the Person Demonstration](#) (Feb. 2013); Kaiser Commission on Medicaid and the Uninsured, [Case Study: Ohio's Money Follows the Person Demonstration \(HOME Choice\)](#) (Jan. 2011); Kaiser Commission on Medicaid and the Uninsured, [Case Study: Georgia's Money Follows the Person Demonstration](#) (Dec. 2011).

<sup>4</sup> Kaiser Commission on Medicaid and the Uninsured, *Medicaid's Money Follows the Person Demonstration: Helping Beneficiaries Return Home* (Oct. 2015); Kaiser Commission on Medicaid and the Uninsured, [Money Follows the Person Demonstration Program: Helping Medicaid Beneficiaries Move Back Home](#) (April 2014); Kaiser Commission on Medicaid and the Uninsured, [Money Follows the Person Medicaid Demonstration Program: Helping People Move Back Home](#) (Feb. 2013); Kaiser Commission on Medicaid and the Uninsured, [Money Follows the Person Transitions Individuals from Nursing Homes to the Community](#) (Jan. 2011); Kaiser Commission on Medicaid and the Uninsured, [Georgia's Money Follows the Person Program: Helping People Move Back Home](#) (Dec. 2011).