

## What is the Money Follows the Person Demonstration?

The Money Follows the Person (MFP) Demonstration is a long-standing Medicaid program that helps states with:

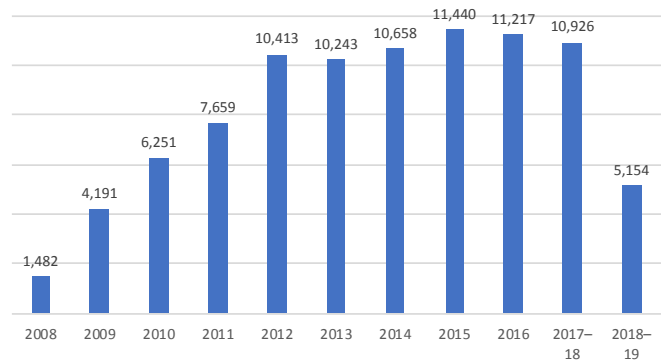
1. transitioning people who want to move back home from nursing facilities and other institutions; and
2. enhancing overall access to home and community-based services so people with disabilities and older adults have greater choice of where they live and receive services.

MFP was first authorized through the Deficit Reduction Act of 2005 with strong bipartisan support. The program was extended in the Affordable Care Act through September 2016, with flexibility to use funding through 2018. Since then, there have been five short-term extensions to keep the program afloat.<sup>1</sup>

However, funding lapses, coupled with short-term extensions to MFP funding, have resulted in a dramatic drop in state efforts to transition

people out of institutions. Recent data on the number of transitions in each state, obtained from the Centers for Medicare and Medicaid Services (CMS)<sup>2</sup>, show that the number of annual transitions dropped by more than half (53.6 percent) across all state programs, from an average annual level of 11,100 transitions per year in 2014–16 to 5,154 in the 12-month period between July 2018 and June 2019 (Figure 1). Before that, the annual number of transitions had been above 10,000 in every year since 2012.

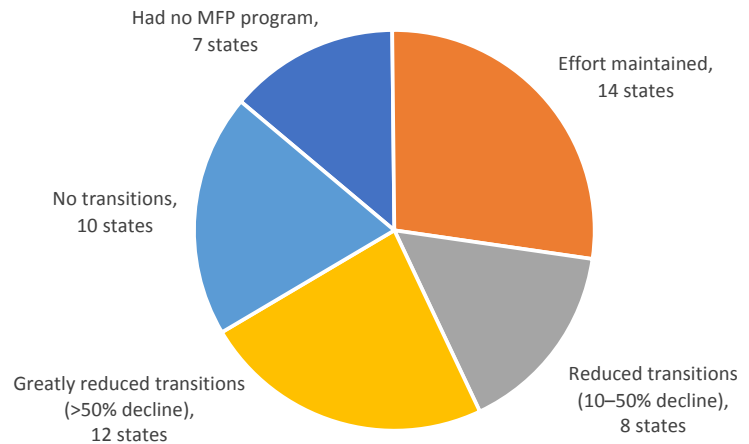
**Figure 1: Annual Money Follows the Person transitions, 2008–2019**



1. Medicaid Extenders Act of 2019, Pub. L. No. 116-3 (1/24/19) – provided \$112 million; Medicaid Services Investment and Accountability Act of 2019, Pub. L. No. 116-16 (4/18/19) – provided \$20 million; Sustaining Excellence in Medicaid Act of 2019, Pub. L. No. 116-39 (8/6/19) – provided \$122.5 million; Further Consolidated Appropriations Act, 2020, Pub. L. No. 116-94 (12/20/19) – provided \$176 million; Coronavirus Aid, Relief, and Economic Security Act, Pub L. No. 116-127 provided \$337.5 million through Nov. 30, 2020.
2. Note: Data provided by CMS is self-reported by states.

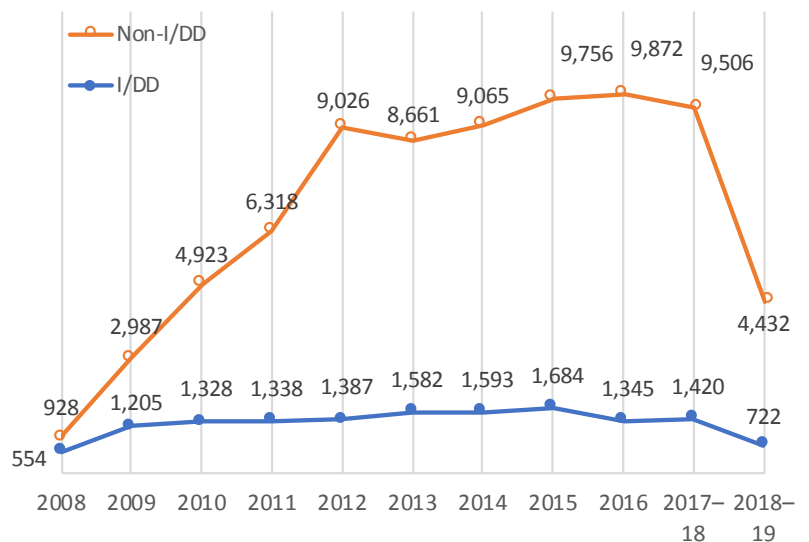
Few states have been able to maintain their prior level of effort on their MFP programs, and many have shut them down or appear to be in the process of doing so. As shown in Figure 2, of the 44 states with MFP programs in 2016, only 14 states<sup>3</sup> maintained roughly the same the level of transitions in 2018–19 as they had in prior years. These states transitioned a similar level of people as they had in 2014–16, with a decline of no more than 10 percent, or reported a greater number of transitions than in previous years. These 14 states represent less than a third of the 44 states with MFP programs through 2016.

**Figure 2. Status of state Money Follows the Person programs, 2018–19**



Eight states<sup>4</sup> reduced their MFP efforts substantially but still transitioned at least half the number as in previous years. An additional 12 states<sup>5</sup> continued operating MFP programs for at least part of the year, but transitioned a greatly reduced number of institutional residents—fewer than half of the 2014–16 average. Ten states<sup>6</sup> reported no transitions between July 2018 and June 2019; these appear to have ended their MFP programs prior to mid-2018. The remaining seven states<sup>7</sup> didn’t have MFP programs.

**Figure 3. MFP transitions, by population, 2008–2019**



Note: Figure for 2017–18 is annualized based on 18 months of reported data.

Figure 3 shows the annual number of transitions across all state programs, separately for people with and without intellectual and developmental disabilities (I/DD).

3. Alabama, Colorado, Connecticut, Georgia, Idaho, Iowa, Louisiana, Maryland, Minnesota, Missouri, New Jersey, New York, North Carolina, and South Carolina.

4. Hawaii, Maine, Nebraska, North Dakota, Pennsylvania, Rhode Island, West Virginia, and Wisconsin.

5. California, District of Columbia, Kentucky, Mississippi, Montana, Nevada, Oklahoma, South Dakota, Texas, Vermont, Virginia, and Washington.

6. Arkansas, Delaware, Illinois, Indiana, Kansas, Massachusetts, Michigan, New Hampshire, Ohio, and Tennessee.

7. Alaska, Arizona, Florida, New Mexico, Oregon, Utah, and Wyoming. Oregon dropped out of MFP and completed its last transitions in 2011.

The pattern is similar for the two populations, except that the decline in I/DD transitions appears to begin as early as 2016. The number of transitions in 2018–19 represents a decline of 53.1 percent from the 2014–16 average for the I/DD population and 53.7 percent for the non-I/DD population.

## **Conclusion**

The MFP program has been incredibly successful. The program has assisted over 91,540 individuals with disabilities and older adults in transitioning from institutions to home and community-based settings. Evaluations of the program have demonstrated enhanced quality of life outcomes and cost savings for states. However, recent short-term extensions of the program have significantly curtailed progress.

It took many years for states to build up infrastructure to operate successful MFP programs. Lapses in funding and short-term extensions for several months at a time have contributed to state staff being let go or reassigned, programs stopping new transitions, and eroding of the infrastructure to support successful transitions. Advocates believe the program need to be made permanent to provide certainty for states and continue the great progress made over the past decade and half.

### **How to Cite**

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### **Disclaimer**

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