Money Follows the Person Rebalancing Demonstration:

A Q&A for Public Housing Authorities

Revised October 6, 2010
The Money Follows the Person Demonstration

Q.1. What does “Money Follows the Person” (MFP) mean?

A.1. Money follows the person or MFP allows Medicaid funding (services) to follow a person from an institutional facility to housing in the community. Even though these services are provided by different entities, the Medicaid funding pays for the costs of services in the community.

CMS defines MFP as a system of flexible financing for long-term services and supports that enable available funds to move with the individual to the most appropriate and preferred setting as the individual’s needs and preferences change. This approach has two major components. One component is a financial system that allows Medicaid funds to be spent on home and community-based services when individuals move to the community. This often involves a redistribution of State funds between the long-term services institutional and waiver programs. The second component is a nursing facility transition program that identifies individuals in institutions who wish to transition to the community and helps them to do so.

Q.2. How is “Institution” defined?

A.2. For the MFP Demonstration, an institution is defined as a hospital, a nursing home, an intermediate care facility for the mentally retarded and, in limited instances, psychiatric facilities.

Q.3. What is a “Waiver” service or program?

A.3. When you hear the term Waiver service or program, this usually refers to a service or program that is funded by a Medicaid program called home and community based services (HCBS) waivers. Every state has HCBS programs or services. Home and community-based waiver services help individuals who are eligible for Medicaid who otherwise qualify to be admitted to an institution to live independently in the community. Federal regulations allow States to cover services that are not typically covered under the regular Medicaid program. Subject to approval by CMS, each state chooses which services they will offer.

Q.4. Why is it so difficult to have Medicaid funding (services) follow a person from an institution to housing in the community?

A.4. Medicaid beneficiaries are entitled to services in an institution. Medicaid requires states to pay for all eligible beneficiaries to live in an approved institution. Most of the Medicaid long-term services, supports, programs, and waivers that help people live in the community are not entitlements and states are allowed to cap
the number of people they will serve. If more people apply for waiver services than the state is willing to pay for, a waiting list is established.

Q.5. What is the Money Follows the Person Demonstration Project?

A.5. The Demonstration was created by the Deficit Reduction Act of 2005 (P.L. 109-171) to support State efforts to “rebalance” their long-term support systems so that individuals 1) have a choice of where they live and 2) receive services and supports necessary to move from an institution and live in the community. The Demonstration was extended by the health reform bill (Patient Protection and Affordable Care Act) from FY 2011 to FY 2016.

Q.6. What is the purpose of the Demonstration?

A.6. The Demonstration provides states with new resources to help them make changes to their long-term care services and programs. In addition, the demonstration assists with State efforts to reduce their reliance on institutions while developing community long-term care services and programs. The demonstration focuses on assuring that older adults and people with disabilities receive the assistance they need to fully participate in the communities in which they live.

Q.7. What does “Rebalance” mean?

A.7. Most Medicaid long-term care spending pays for services in institutions. In FY 2008, over 68% of Medicaid long-term care spending for individuals with disabilities and older adults paid for nursing home care. While spending on home and community based services has grown significantly over the past ten years, the structure of the Medicaid program is still biased toward institutional care. “Rebalance” means creating the flexibility to allow Medicaid payment for services in the settings that are preferred by older adults and people with disabilities and thereby rebalance Medicaid long-term care spending.

Q.8. What benefits do States receive for participating in the demonstration?

A.8. States receive additional federal Medicaid funds for up to one year for home and community based services provided to each qualified person who moves to the community.

Q.9. What happens after the one-year period ends?

A.9. States are required to continue to provide services using home and community based services waivers or regular Medicaid services for as long as the person, who moved out of the institution under the Demonstration, lives in community and is eligible for Medicaid services. States that have waiting lists for waiver services
will be required to expand or reserve funding to continue serving people who transition under the Demonstration.

Q.10. Will services continue after the Demonstration ends in FY 2016?

A.10. States will continue to provide services after the Demonstration. Each state involved in the Demonstration is required by CMS to demonstrate how services will continue after the Demonstration period.

Q.11. Why is housing such an important piece of the Demonstration?

A.11. After an individual enters a nursing home or other institution, he or she soon loses their home or apartment. These individuals have income ranging between 75% and 224% of the Federal Poverty Level. Individuals who are interested in moving out of institutions into the community find a limited selection or lack of affordable, accessible, and integrated housing in their communities. Therefore, it is often difficult or impossible for people to transition out of nursing homes because affordable housing is not available.

Q.12. Which States are a part of the Demonstration and how many people will transition?

A.12. The MFP Demonstration currently operates in 29 States and the District of Columbia. Grantees expect to transition over 24,000 individuals by September 2011. The actual number of transitions may vary from these estimates as States develop the infrastructure, including working with PHAs and other housing agencies, to support participating older adults and people with disabilities in the community.

About 44% of the individuals who transition will be older adults, 29% will be individuals with physical disabilities; 20% will be individuals with intellectual/developmental disabilities and about 7% will have a mental illness.

The States and the number of individuals expected to transition are listed below.

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Q.13. Will additional States be added to the Demonstration?

A.13. The health reform bill provided additional funding for the Demonstration. CMS issued an RFP in July 2010 inviting additional states to participate.

Q.14. Who is eligible for the Demonstration?

A.14. States are assisting older adults (age 65 and older), individuals with physical disabilities, individuals with intellectual/developmental disabilities and individuals with psychiatric disabilities. Participants must have lived in an institution for a minimum of 90 days prior to moving in order for States to receive the additional federal funds for home and community based services. This threshold does not count days in an institution for which the individual was admitted to receive short term rehabilitation services.

Accessing Services

Q.15. Who helps individuals during and after the transition? And what is their role?

A.15. Each participant will receive assistance during the transition process. States use different terms to describe the person who helps with the transition process, such as transition coordinator, relocation specialist or care manager. We will use the term transition coordinator to refer to this position.

The transition coordinator is usually involved during the pre-transition planning, the actual transition, and for a period following the transition. The transition coordinator provides information about community services, programs, and housing to individuals living in institutions who are interested in moving. The transition coordinator assesses what services and supports will be needed to help the person move and live successfully in the community. Transition coordinators will work with housing agencies to locate housing, if necessary, and coordinate or arrange services as needed.

Once the person is settled in the community, the person will be assisted with service coordination by waiver service care coordinators or managers.

Q.16. What services will be available to help tenants live independently?

A.16. Each state program submits to CMS a description of the services that are available during and following the demonstration. The services must be sufficient to enable a person to live independently in the community. States will offer beneficiaries who transition a range of home and community based waiver services and other services traditionally covered by Medicaid. Waiver services typically include help with daily activities such as bathing, dressing, using the toilet, preparing meals
and eating, housekeeping, shopping, and making appointments with health care providers, care management services, personal emergency response systems, retrofitting, home modifications and accessibility adaptations, personal care assistance services, homemaker/home health aide services, adult day health services, habilitation services, psychosocial rehabilitation services, clinic services for individuals with chronic mental illness, home delivered meals, and other services developed by the state that are required to keep a person from being institutionalized.

Q.17. Who arranges and coordinate services that are needed by tenants?

A.17. MFP participants work with the transition coordinator to assess the person’s needs and develop a plan to meet those needs. The coordinator will assist with the move and arrange services that are needed during and following the move.

Q.18. Who monitors the services that are provided?

A.18. Transition coordinators make regular visits and phone calls to participants to ensure that all necessary services are being provided. Over time, the contact may shift to the service coordinator affiliated with the home and community based services waiver program. A back up plan will be prepared for each participant in the event that a scheduled service is not provided as planned.

Q.19. Will the services provided change if the tenant’s needs change? And how will this be done?

A.19. The transition coordinator or the waiver service coordinator and the participant have regular contact. As the person’s service needs change, the transition coordinator or the waiver service coordinator will work with the person to adjust their plan.

Q.20. What role are property managers and other housing professionals expected to have?

A.20. Property managers and other housing professionals’ roles does not change as a result of having a MFP participant lease one of their units or receive the housing assistance offered. Waiver and other Medicaid services (described above in A.15) will be arranged by staff that supports the participant during and after the transition. Property managers will be provided the contact information for the transition coordinator or care manager in case the tenant’s needs change or there is a concern about the tenant’s situation.

Q.21. How will the Demonstration help participants maintain their apartment?
A.21. Services arranged by the transition coordinator will include housekeeping, laundry, periodic heavy cleaning, assistance with meal planning and preparation, and other assistance needed to maintain the unit.

Q.22. Are funds available to retrofit a unit? How do housing managers access those funds?

A.22. Yes, the transition coordinator will work with the prospective tenant and the property manager to determine what, if any, modifications to an apartment unit may be needed for the individual to live independently. Each state program has guidelines for the type of retrofitting that may be approved, the maximum allowed cost of the changes, and the process for approving the work.

Q.23. How is the cost of furniture, supplies and equipment needed to set up an apartment paid?

A.23. The MFP demonstration utilizes Medicaid funds to cover the costs of setting up an apartment and related one-time transition expenses. The items that may be purchased and the amount of available funds may vary from state to state. MFP demonstration funding may be used for such items as utility deposits, essential furnishings (a bed, a table, chairs, window blinds, eating utensils, and food preparation items), moving expenses, pest eradication, allergen control, one-time cleaning prior to occupancy or other items specified by the State initiative.

Q.24. What happens if a person’s health declines?

A.24. The transition coordinator or the waiver care manager monitors the participant’s health status and make referrals to home health agencies or arrange appointments with medical professionals as needed.

**Housing**

Q.25. In view of the large scope of the Demonstration, why aren’t additional funds available for rent subsidies?

A.25. Medicaid law prohibits the use of funds to pay for rent, utilities or food (room and board) outside an institution. The Congressional Committees with jurisdiction over Medicaid do not have jurisdiction over HUD programs. The Congressional committees who drafted the Deficit Reduction Act (DRA) did not include additional funding for housing when it drafted the Money Follows the Person Demonstration section of the DRA.

However, HUD recognizes the need for additional housing choice vouchers to support the MFP Demonstration. In April 2010, HUD issued a NOFA that will award $40 million for up to 5,300 housing choice vouchers. This funding includes $7.5 million that is set aside to fund approximately 1,000 vouchers for non-elderly
persons who transition institutions. HUD’s announcement of the funding states that “CMS will use its network of state Medicaid agencies and local human service organizations to link eligible individuals and their families to local housing agencies who will administer voucher distribution.”

Q.26. What sources of funding for housing might be used to support MFP demonstration participants?

A.26. Funding sources that may be used to support MFP demonstration participants include, but are not limited to, most types of housing choice vouchers (HCV); low income housing tax credits (LIHTC); community development block grant funds (CDBG); HOME investment partnership program (HOME) funds (predominantly tenant-based rental assistance (TBRA); federal rural housing services funding (RHS); housing finance agency (HFA) bond funds; community housing development organization funds (CHDO); state and local housing trusts; section 811 supportive housing for persons with disabilities program, and a variety of homeownership funding sources. Some states have been successful in establishing a source of bridge funding to make rental housing more affordable while individuals are on waiting lists for housing choice vouchers.

Q.27. What types of housing will be needed by MFP participants?

A.27. Many participants will prefer and need units that are affordable, accessible, and integrated in housing developments in the community. It is expected that participants will want a variety of living arrangements and types of housing, such as apartments in elderly living developments, sharing a house or apartment with roommate(s), living with a family, living alone, etc. The DRA describes three types of “qualified” housing:

- A home owned or leased by the individual or the individual's family member;
- An apartment with an individual lease, with lockable access and egress, and which includes living, sleeping, bathing, and cooking areas over which the individual or the individual's family has domain and control; or
- A group or shared residence for no more than 4 unrelated individuals.

Q.28. What, if any, new or special requirements or guidance are made on the PHAs or housing professionals due to HUD and Congressional support of the MFP demonstration?

A.28. There are no new or special requirements of PHAs or housing professionals due to HUD and Congressional support of the MFP demonstration. In October 2006, in a letter to PHA executive directors, Secretary Jackson stated, “The Department strongly supports expanding accessible, affordable, and integrated housing options to promote the transition of people with disabilities and seniors out of institutional settings and into the community. The Money Follows the Person Rebalancing Initiative offers a great opportunity for public housing authorities (PHAs), state...
housing finance agencies, CMS, and local disability organizations to work together to provide such housing options. I encourage all PHAs, under their existing authority to set local preferences, to use Public Housing units, Housing Choice Vouchers, Mainstream Vouchers to join with state Medicaid offices and aging and disability agencies administering Medicaid programs in promoting the Money Follows the Person Rebalancing Initiative.”

Q.29. Will the PHA property manager or other housing professionals be expected to respond to emergencies and if so, with whom should they contract?

A.29. There are no additional or special requirements for property managers or other housing professionals for MFP participants related to emergencies. Each state MFP demonstration is required to have an emergency response and back-up system that can be accessed by the property managers and other housing professionals who become aware of any situation that requires an immediate or urgent level of response.

Q.30. How will a PHA, property manager, or other housing professionals know that an applicant is participating in the MFP Demonstration?

A.30. Since a transition coordinator will be providing assistance to each MFP participant, the PHA, a property manager, or other housing professionals will be informed that an applicant is participating in the MFP demonstration.

Q.31. What should a housing professional expect from a MFP participant?

A.31. A housing professional should expect a participant in the MFP demonstration to be moving from a nursing home or other institution. They should expect the individual or a legal representative to sign a lease (if it is required), pay rent, and maintain their residence as any other tenant would. In addition, each MFP participant will have access to a variety of services and supports depending upon their needs. Lastly, as was mentioned in Q.28, each participant in the MFP demonstration will have access to an emergency and backup response team or system.

Q.32. How does having a MFP participant as a tenant affect common or public areas of a building?

A.32. There are no specific MFP requirements that will affect common or public areas of a building. Tenants who are MFP participants will access and use public or common areas in the same way any other tenant would.