

THE DISABILITY COALITION

A Coalition of Persons with Disabilities, Family Members, and Advocates

Money Follows the Person

October 2012

- Money Follows the Person (MFP) is a process by which Medicaid money spent on facility-based care is used instead for community services - those funds *follow the person* into the community.
 - MFP allows more people to receive services in the community without raising overall expenditures, because money being spent on facility care is transferred and used to pay for an additional waiver slot. This means that more people can be served in community waiver programs without a need for additional appropriations earmarked for the waivers.
 - MFP helps to address Medicaid's "institutional bias", which makes institutional care an entitlement that must be provided to all who qualify while the state may limit "slots" for community services in waiver programs and people wait years for those services.
 - MFP gives frail seniors and persons with disabilities in facilities an opportunity for community living with an emphasis on consumer direction and choice, improving their quality of life.
- Community services are less expensive than facility-based care. MFP would promote more cost-effective use of long-term services funding and further New Mexico's efforts to rebalance the long-term services system away from institutional care and toward community-based services.
- The state's current "community reintegration" program is not MFP.
 - Community reintegration helps people to move from facilities to the community by giving them first priority for already-funded waiver slots that become available through attrition.
 - This simply allows individuals leaving facilities to leapfrog over everyone on the waiting list. The number of people served on the waiver does not increase, and others have to wait even longer for those services.
- New Mexico's history in regard to MFP has been fraught with conflict and difficulty.
 - The New Mexico Legislature in 2006 passed the Money Follows the Person in New Mexico Act, §§27-15-1 through 27-15-5 NMSA 1978. The Richardson Administration refused to comply with and never implemented the law.
 - After the federal MFP grant program was established by the Deficit Reduction Act of 2005, the state began the process of applying for a grant but then decided not to proceed and withdrew the application.
 - After the federal grant program was extended by the Patient Protection and Affordable Care Act of 2010, New Mexico applied for and received a federal MFP grant, to provide a significantly enhanced federal match for the first year of services after a person transitions to the community. The program was to become effective on July 1, 2011 but was not implemented. In May 2012, without prior notice to or input from anyone in the disability community, the Human Services Department notified CMS that it was withdrawing from the MFP program.
- "Centennial Care" will not change the state's approach to MFP. The state's application for an 1115 waiver to restructure the Medicaid program will expand access to community-based services for those who qualify for Medicaid and will allow some people on the waiting list to access those services but does not "grow" the community-based system by transferring money from nursing homes to community services as contemplated by Money Follows the Person.