Update and Summary of information re: the NH Community Passport Program funded by the MFP Demonstration Program (MFP) – June 2010

On March 23, 2010, President Obama signed into law the Patient Protection and Affordable Care Act (the Affordable Care Act), Pub. L. No. 111-148. This legislation includes several provisions addressing the needs of people living with disabilities and elderly individuals who require long-term care, including the extension of the Money Follows the Person Rebalancing (MFP) Demonstration Program for an additional 5 years (the funding was scheduled to expire at the end of FY 2011). The extension of the MFP Demonstration Program through 2016 offers States additional resources and program flexibilities to remove barriers and improve people's access to community supports and independent living arrangements.

Background

The MFP Rebalancing Demonstration Program provides assistance to States to balance their long-term care systems and help Medicaid enrollees transition from institutions to the community. The MFP Demonstration Program, authorized by Congress in section 6071 of the Deficit Reduction Act of 2005 (DRA), is designed to help States shift Medicaid's long-term care spending from institutional care to home- and community-based services (HCBS). Congress initially authorized up to $1.75 billion in Federal funds through fiscal year (FY) 2011 to:

1) Increase the use of HCBS and reduce the use of institutionally-based services;
2) Eliminate barriers and mechanisms in State law, State Medicaid plans, or State budgets that prevent or restrict the flexible use of Medicaid funds to enable Medicaid-eligible individuals to receive long-term care in the settings of their choice;
3) Strengthen the ability of Medicaid programs to assure continued provision of HCBS to those individuals who choose to transition from institutions; and,
4) Ensure that procedures are in place to provide quality assurance and continuous quality improvement of HCBS.

The MFP Demonstration Program offers an enhanced Federal Medical Assistance Percentage (FMAP), as well as increased financial resources, to support the administration of the demonstration and implementation of broader infrastructure investments. These investments include initiatives such as: creating systems for performance improvement and quality assurance, developing housing initiatives, supporting staff for key transition activities, improving the direct care workforce, and building "no wrong door" access to care systems.

Currently, twenty-nine States and the District of Columbia have implemented MFP Demonstration Programs. After a pre-implementation period, States began actively transitioning individuals into community settings in the spring of 2008. Since the beginning of calendar year 2009, the number of participants transitioning has increased as solutions to barriers were identified and significant technical assistance is continuing to

be provided to help States meet transition benchmarks they set. As of December 2009, almost 6,000 individuals have returned to the community as a result of these demonstrations. NH began in 2007 and has transitioned approximately 60 individuals.

Advantages to NH As A MFP Participating State

Benefits to States participating in the MFP Demonstration Program, include opportunities to develop unique home and community-based demonstration services to help individuals make the transition from institutional care to quality, person-centered services in the home:

Enhanced FMAP: The MFP Demonstration Program provides an enhanced FMAP rate for qualified services, which include HCBS services and demonstration services. This rate is equal to taking the published FMAP for a State, subtracting it from 100 percent, and dividing the total by half, and adding that percentage to the published FMAP. As an example, a State that normally has a 50 percent FMAP will have a 75 percent FMAP under MFP. The enhanced MFP FMAP cannot exceed 90 percent. The enhanced rate is available for qualified services provided to an MFP participant for 365 days after transition from an institution.

Increased FMAP through December 31, 2010: The American Recovery and Reinvestment Act of 2009 (Recovery Act) provides States an increased FMAP from October 1, 2008 through December 31, 2010. CMS will use the applicable Recovery Act increased FMAP as the base from which to calculate States' MFP-enhanced FMAP rate each quarter during this period, subject to a 90 percent cap. To illustrate, if a State's regular FMAP rate is 50 percent, and is 62 percent under the Recovery Act, then the MFP enhanced rate would be 81 percent (rather than 75 percent, as in the example above). The resulting enhanced MFP FMAP rate cannot exceed 90 percent.

National Technical Assistance (TA): CMS has contracted with experts in the long-term care field to assist grantees, at no cost to the State, by providing the support and expertise necessary to enable the States to work through problems and barriers to implementation. The TA providers, along with support from the CMS Project Officers and Regional Office Analysts, are available.

HCBS and Demonstration Services: HCBS and demonstration services are reimbursed at the enhanced MFP FMAP. Qualified HCBS services are HCBS waiver services that will continue once the MFP Demonstration Program has ended. Demonstration services are services that can be covered under Medicaid and that will only be billed to grant funding during an individual's 12-month transition period. After the demonstration period, the State is not obligated to continue the demonstration services, but may choose to fund them through Medicaid for eligible individuals, or through other funding streams. See attached list of NH's services.

Supplemental Services: Reimbursement is provided for services that will only be available for the MFP Demonstration Program period and are not covered by Medicaid.

These services are reimbursed at the State's published FMAP (which includes the increased FMAP during the Recovery Act period). Full Reimbursement for Specific Administrative Costs: Reimbursement associated with the operation of the MFP grant may be provided after the submission, review, and approval of the grant application's Operational Protocol. Examples of eligible reimbursable items that may be considered in a State application's Operational Protocols are: key personnel; MFP travel, training, outreach and marketing; IT infrastructure to accommodate the MFP reporting requirements; and completing the Quality of Life survey requirements.

The Affordable Care Act

Section 2403 of the Affordable Care Act (ACA), titled "Money Follows the Person Rebalancing Demonstration," provides an opportunity for those States that are presently participating in the program to continue building and strengthening their MFP Demonstration Programs and for additional States to participate. The law amends section 6071 of the DRA to make the following changes:

1) Extends the MFP Demonstration Program through September 30, 2016, and appropriates an additional $450 million for each FY 2012-2016, totaling an additional $2.25 billion. Any remaining MFP appropriation at the end of each FY carries over to subsequent FYs and is available to make grant awards to current and new grantees until FY 2016. Grant awards shall be made available to the State for the FY in which the award was received and for additional FYs. As such, any unused portion of a State grant award made in 2016 would be available to the State until 2020.

2) Expands the definition of who may be eligible for the demonstration. Under the DRA, only those individuals who resided in a qualified institution for more than 6 months were eligible to participate in the MFP Demonstration Program. For these individuals, the increased FMAP to the State for HCBS is available up to 365 days after the individual transitions from an institution to the community. NH is exploring ways to include people with psychiatric disabilities to participate in the program.

Under the Affordable Care Act, individuals that reside in an institution for more than 90 consecutive days are now eligible to participate in the demonstration. This is a change from a 6-month requirment. However, one exception applies in the expanded definition of eligibility: days that an individual was residing in the institution for the sole purpose of receiving short-term rehabilitation services that are reimbursed under Medicare are excluded and will not be counted toward the 90-day required period. On May 17, 2010, CMS issued additional policy guidance to existing grantees regarding the criteria, detailed in the grant solicitation, which should be used to determine the applicability of the new 90-day exclusion.

3) Additional funding is provided through 2016 for the National MFP Evaluation. The Affordable Care Act extends the DRA provision that a maximum of $1.1 million per year shall be available for research and evaluation purposes and is part of the $2.25 billion total noted above.

What This Means for Current Grantees Like NH

The current MFP Demonstration Programs should be able to experience a seamless transition into the next 5 years of the Demonstration authorized under the Affordable Care Act. CMS will not require currently participating States to compete again through a new solicitation process. States will only need to submit a written request to the CMS Grants Office in the summer of 2011 for continued participation in the MFP grant program. All current MFP grantees may continue to operate their programs within their approved Operational Protocols, and, in response to annual budget requests, CMS will make supplemental grant awards through 2016. However, given the program extension, additional funding, and added program flexibility provided by the Affordable Care Act, current grantee states such as NH are expected and encourage to explore immediately – in consultation with CMS – opportunities to modify, extend, and expand their existing programs. Again, NH is hoping to expand to include people with psychiatric disabilities.

In addition to these federal level changes and opportunities, NH has partnered with UNH on this project and the University employs the director. The State is also working with UNH on a grant due at the end of July to expand the State's ADRC capacity to implement the new MDS 3.0 section Q and work with community partners and the NHCP program. We are hopeful to gain an additonal position with this goal in mind.

Brief Summary:

- New laws impacting program
- Program extended to 2016
- States encouraged to expand program (NH looking to include other disabilties)
- CMS expanding support to current program
- Decrease in required months spent at the Nursing Facility from 6 months to 90 days
- Decrease in required days on Medicaid from 3 months to 1 day prior to discharge
- UNH Partnership (position sharing, trainings, and grant writing partnerships)
- MDS 3.0 Section Q (roll out in October 2010) will be also be utilized to identify eligible Passport participants. The State is working towards a grant (due at the end of July) to create a usable data report as a result of the data collected for the ADRC's (ServiceLink) to use as well as MFP.

NH's NHCP Services (from website)

Transitional Support Services

In addition to services already offered under New Hampshire's HCBC waiver programs, the program will make supplemental and demonstration services available to ease the transition back into community living. These services include:

- HCBC demonstration services
- Health and safety assurances
- Home Technology
- Independent Living Skills
- Vehicle Modifications
- TeleHealth monitoring equipment
- Products for the maintenance of health and hygiene
- Certified Service Animals and related training for owners

Supplemental Demonstration Services

- Supportive services/items for family to assist in transition
- Home cleaning
- Pest eradication
- Medication bridge to avoid interruption of medication
- Security deposits
- Utility hookups
- Necessary household purchases
- Overnight visits to new home
- Transitional Case Management

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