Money Follows the Person in New Mexico Act

- In 2006 House Bill (HB) 353, Money Follows (MFP) the Person in New Mexico Act was signed into law. HB 353 was sponsored by Rep. Edward Sandoval. (SB 371, sponsored by Sen. Dede Feldman, was a duplicate bill, introduced the same year.)
- The goals of the MFP are to:
  - Increase the use of home and community-based services (HCBS) and reduce the use of institutionally-based services
  - Eliminate barriers in State law, State Medicaid plans, and State budgets that restrict the use of Medicaid funds to let people get long-term care in settings of their choice
  - Strengthen the ability of the Medicaid programs to provide HCBS to people who choose to transition out of institutions
  - Put procedures in place to provide quality assurance and improvement of HCBS
- The New Mexico Human Services (HSD) implemented HB 353, MFP Act in 2008 through the Coordination of Long Term Services (CoLTS) program.
  - There are currently approximately 3,000 CoLTS waiver recipients who are receiving HCBS.
  - In FY12, CoLTS reintegrated 450 people from nursing homes into the community.
- New Mexico is considered one of the leading states in transferring long-term services from institutional settings to HCBS.
  - **New Mexico ranks #1 in the nation in rebalancing as reviewed in a 2001 AARP and SCAN Foundation study.**
  - **New Mexico ranked # 1 in 2009 and 2007 for having spent the highest percentage of its long-term services funds in HCBS.**
  - New Mexico ranks # 4 in the nation for the percent of New Mexico Long Term Services user's first receiving services in the community.
  - New Mexico ranks # 11 in the nation for the Number of People consumer-directing services per 1,000 Age 18+ with disabilities
  - New Mexico is one of a handful of states that spends more than 50% of its Medicaid long-term services funds on HCBS. The five highest performing states are: New Mexico, Washington, Minnesota, Oregon and Alaska, which spend, on average 60% of medicaid LTSS dollars on HCBS.

Money Follows the Person (MFP) Federal Demonstration Grant

- New Mexico was in the process of applying for the MFP Federal Demonstration Grant in 2012
  - The federal MFP grant was designed for states that had not been able to make strides in rebalancing long-term services as a way to "jump start" efforts in this area
  - The MFP demonstration grant could have resulted in $3.6 million over the course of five years – the term of the demonstration grant. However, there would have been additional costs of implementing the federal grant (detailed below).
- New Mexico recently withdrew its MFP Federal Demonstration Grant application prior to award because the grant does not offer additional value to the Medicaid program.
  - MFP requires (by Federal statute) a 90-day stay in a nursing facility (NF) prior to transition. New Mexico has established a protocol of transitioning eligible Medicaid enrollees after 30 days in NF. Mandating longer stays in the NF will result in higher Medicaid costs, primarily through increased payments to the MCOs for additional 60-day stays or longer in the NF per MFP-eligible enrollee.

- The MFP-enhanced federal match--84% as opposed to 69.46% regular FMAP-- for one year of transition services will not offset the additional cost of mandatory 90-day stays in the NF that Medicaid will have to pay at the regular FMAP. Mercer estimated a potential total savings of only $149,000 for all MFP enrollees, which will likely be offset by additional administrative costs to manage the grant.
- MFP grant only takes 75 persons per year off of the "c" waiver registry. Last year, HSD successfully transitioned 450 individuals from NF into the community, most after 30 to 45 days in a NF. HSD is reviewing costs of allocating new waiver slots to individuals on the c waiver registry in FY13, further fulfilling the intent of the MFP statute.
- HSD would have to monitor two separate community reintegration systems--one at 30 days and one at 90 days for MFP enrollees. Additionally, it would have to develop a complex tracking system to identify the specific services that are eligible for MFP enhanced FMAP, which are currently bundled in a blended capitation payment designed to incentivize transitions from NF to home and community services.
- NM faces housing barriers with its current reintegration program. The MFP grant mandates specific housing criteria for qualified community settings that will result in additional housing barriers, especially for Native American and rural and frontier communities. It will prove difficult to reintegrate a subset of the Medicaid population through the MFP grant because of the inability to meet the MFP housing criteria.
- The CoLTS c waiver will be eliminated under Centennial Care. All home and community based services will be carved in to the Medicaid benefit package, which will expand the population eligible to receive alternative long-term care services. There will be significant incentives for the MCOs to support enrollees in their homes and communities and to facilitate transitions as soon as possible after 30 day NF stays. The MFP grant requirement of mandatory 90 day NF stays does not align with the goals of Centennial Care.
- At the most recent MFP stakeholder meeting advocates expressed concerns with the 90-day NF grant requirement. HSD believes the stakeholders will be more interested in supporting a plan to fill waiver slots by allocating from the "c" waiver registry than supporting a grant that increases NF stays and does not result in material savings for the state.