

# Money Follows the Person: History, Function, and Case Studies

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## Words to Know

**Money Follows the Person (MFP)** is a federal Medicaid demonstration program that provides grants to states to help transition individuals from institutions (like nursing homes) back to their homes and communities with long-term services and support.

**LTSS (Long-Term Services and Supports)** is a range of medical and personal care services that help people with disabilities or chronic illnesses live independently. This includes both institutional care and Home and Community-Based Services (HCBS).

**Rebalancing** is the systemic shift within a state's Medicaid program from spending on institutional care towards investing in HCBS, which are often preferred by individuals and can be more cost-effective.

**HCBS (Home and Community-Based Services)** looks at services like personal care, homemaking, and therapy delivered in a person's home or community setting (as opposed to an institution). Access to HCBS is a civil right affirmed by the Olmstead Decision.

## Program History

The Money Follows the Person (MFP) demonstration emerged from decades of disability rights advocacy, particularly the work of ADAPT and allied activists.

The nursing home transition projects were beginning to mature and ADAPT's chapter in Texas was inspired by some legislation in the state that allowed the money to move from the nursing home side of the budget to the HSBS waiver side of the budget, and that's how it got the name Money Follows the Person.

**Henry Claypool**



Momentum was significantly strengthened by the 1999 Olmstead Supreme Court decision, which affirmed community integration as a civil right under the Americans with Disabilities Act (ADA).

Importantly, MFP represents a rare instance of sustained bipartisan commitment, going from initial grant support during the Clinton administration to formal authorization in the 2005 Deficit Reduction Act under President George W. Bush.

## How it Works

The primary objective of the MFP program is to facilitate the transition of individuals from institutional settings to community-based living and to rebalance state Long-Term Services and Supports (LTSS) systems toward Home and Community-Based Services (HCBS).

Eligibility is limited to Medicaid beneficiaries who have resided in an institutional setting for at least 60 consecutive days and are transitioning to a qualified residence, including a private home, a family home, or a small group home with four or fewer residents.

MFP provides comprehensive pre-transition planning and finances HCBS for up to one year following the transition to support continuity and stability in community living.

Since 2008, over 127,000 individuals have transitioned to the community through MFP.

Evidence also suggests that states with strong MFP programs see reduced nursing home use and spending.



**State and Tribal MFP Program Examples on next page**

# State and Tribal Examples & Successes



Washington's success is built on specialized "Nursing Facility Case Managers" assigned to specific facilities. They build relationships, enable early intervention, and become transition experts.

**90%** of the transitions come out of nursing facility settings.

There are four focus populations



Older Adults



Adults with Physical Disabilities



Individuals with IDD



Individuals with Behavioral Health Support Needs

## 2024 Transition Costs

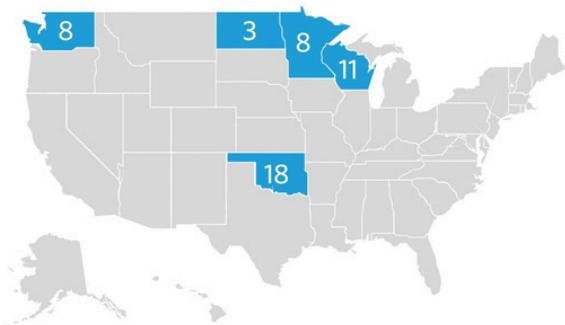


**Rural Access:** The program began leveraging Amazon Business to deliver essential household and pantry items directly to participants' homes, improving access, especially in rural areas, and plans are underway to expand this model beyond the MFP program.



A special tribal initiative within MFP operates in five states (MN, WI, OK, WA, ND). This initiative operates on a government-to-government relationship model. Tribal sovereignty and self-determination guide the work. Tribes lead then the states provide support and funding.

### MFP Tribal Initiative States



There is a Tribal Collective, which is a team of tribal community members who have been embedded in regions to build trust, co-design services, and ensure programs are culturally relevant.

### Some of the projects are:



Building Healing Centers



Creating tiny home villages for elders



Developing tribally operated case management benefits



Establishing assisted living facilities on reservation

What is tribal sovereignty? It refers to the legal recognition of sovereign Native nations in the United States, and it establishes that tribal nations have the inherent right to govern themselves.