2006 INNOVATIONS AWARDS PROGRAM

APPLICATION

Deadline: March 4, 2006

INSTRUCTIONS: Complete and submit this document electronically if possible, preferably in Microsoft Word format (.doc or rtf). This application is also available at www.csg.org, in the Programs section. Determine the appropriate "Change Driver" from the enclosed matrix and indicate that in the appropriate space listed below. Keep in mind that the matrix is only meant to show potential relationships between change drivers, trends and issues, and is not exhaustive. **Be advised that CSG reserves the right to use or publish in other CSG products and services the information that you provide in this Innovations Awards Program Application. If you object to CSG potentially using or publishing the information contained in this application in other CSG products and services, please advise us in a separate attachment to your program's application.**

ID #: 06-S-18TX ____________________
Change Driver: New Economy/ Long-term Care
State: Texas

1. Program Name: Money Follows the Person (MFP)

2. Administering Agency: Texas Department of Aging and Disability Services (DADS)

3. Contact Person (Name and Title): Marc S. Gold, Manager, Promoting Independence Initiative

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8. Web site Address: http://www.dads.state.tx.us/business/pi/index.html

9. Please provide a two-sentence description of the program. :

   Money Follows the Person (MFP) allows for persons in a Medicaid-certified nursing facility to leave the institutional setting and relocate back into the community to receive services. MFP provides for the transfer of an individual's institutional allocation into the community-based program funding stream to pay for his/her services.

10. How long has this program been operational (month and year)? **Note: the program must be between 9 months and 5 years old on March 4, 2006 to be considered.**

The Money Follows the Person program/policy became effective on September 1, 2001; it has been in operation for four years and six months.

11. Why was the program created? What problem[s] or issue[s] was it designed to address? **Indicate how the program applies to the "change driver" that you listed above.**

    MFP was established to help: (1) rebalance the institutional bias in long term care funding (as it impacts an aging and/or disabled population) and (2) meet the mandate of the Supreme Court's 1999 ruling regarding *Olmstead vs. L. C.*

    The historical problem is that Medicaid institutional care is an entitlement under the Social Security Act (SSA); while the availability of Medicaid funded community based care may be limited by state appropriations, as allowed by the SSA.

    The primary service alternative to nursing facility care is the establishment of a 1915 (c) waiver program for the aging and/or disabled populations. However, while the SSA requires that all individuals seeking institutional care must receive that service; the 1915 (c) provisions allow for states to waive certain requirements regarding comparability of services/resources/state wideness. Therefore, the state may limit the number of persons served in their community based 1915 (c) waiver program.

    Increasingly, individuals who are aging and/or have disabilities want community versus institutional care. However, because the number of possible clients to be served may be limited in the community system, there are often significant waiting lists to be admitted into community 1915 (c) programs. The creation of MFP allows nursing facility residents to have their institutional funding transfer into the community system and thereby have the "money follows the person". Additional community slots do not have to be created for this population nor are these transfers counted against the legislatively appropriated number of community client "slots".

12. Describe the specific activities and operations of the program in chronological order.

    - 2001 Legislative Session: attached rider to Department of Human Services (DHS) now Department of Aging and Disability Services (DADS) appropriation requiring the development of the program.
    - Summer 2001: development of rules and policies
    - September 1, 2001: MFP becomes effective
    - 2003: received a grant from the Centers of Medicare and Medicaid Services (CMS) to develop supportive local nursing facility transition teams to identify obstacles to nursing facility transition and develop solutions
    - 2003: pilot project of supportive transition facilitative activities (relocation specialists)
    - 2003 Legislative Session: continued rider support for MFP program
    - 2004: statewide implementation of relocation specialists role

- ◦ 2005 Legislative Session: codification of rider language into law (House Bill 1867)

13. Why is the program a new and creative approach or method?

    This policy had never really been tested on a statewide basis. Appropriations had always been fixed between the institutional and community based line items. This is the first step towards an approach to "global budgeting" of long term care; where allocations could transfer across appropriated line items.

    It is creative because no additional dollars were required to implement the process. Current appropriations allowed for the activity and it took a relatively short time period to implement (3 months).

    This program supports individual choice and a person's quality of life.

14. What were the program's start-up costs? (Provide details about specific purchases for this program, staffing needs and other financial expenditures, as well as existing materials, technology and staff already in place.).

    There were no start-up costs. Staff time was absorbed into routine activities.

15. What are the program's annual operational costs?

    There are no operational costs for MFP itself. Additional services to support the process equal to: $1.3 million/year in general revenue. This service provides for relocation specialists who help in the identification of persons in nursing facilities who want to transfer and help in facilitating that activity.

16. How is the program funded?

    Long Term Services and Supports are funded through Medicaid and appropriations made by the Texas Legislature. This is a cost-neutral program to the state of Texas.

17. Did this program require the passage of legislation, executive order or regulations? If YES, please indicate the citation number.

    The Texas Legislature meets every two years. The 2001 Legislative Session (77th Session) attached a rider (Rider 37) to the Department of Human Services' appropriation (Department of Aging and Disability Services incorporated major parts of the Department of Human Services during a 2004 reorganization of the state's health and human services). Rider 37 was in effect for two years; the 78th Legislative Session (2003) restated the rider but was now numbered Rider 28. The 79th Legislative Session (2005) codified the bill through House Bill 1867. The concepts were reinforced by executive orders by then Governor George W. Bush (GWB 99-2) and the current Governor, Rick Perry (RP-13).

18. What equipment, technology and software are used to operate and administer this program?

    The Department maintains a data warehouse with MFP incorporated into the system. No additional technology was purchased nor developed.

19. To the best of your knowledge, did this program originate in your state? If YES, please indicate the innovator's name, present address, telephone number and e-mail address.

    While the concept was discussed for many years nationally, TX was the first state to actually implement policy on a large scale. The TX program has been used as a model in other states; behind the concept for CMS' Real Choice grants; and the recently passed Deficit Reconciliation Act of 2005 MFP provisions.

20. Are you aware of similar programs in other states? If YES, which ones and how does this program differ?

    Texas is a leader in the concept of Money Follows the Person. Many states have asked TX to provide consultation in their own version of developing a similar program. Recently, TX has assisted California; New Mexico (which just passed the needed legislation); Mississippi (which has legislation going to its Lt. Governor for review); and Alabama. The concept was given attention by the Centers for Medicare and Medicaid Services (CMS) in the development of their New Freedom Initiative grants. CMS supported states that proposed system changes which included money follows the person. TX has spoken on many national panels, conferences and forums on the subject, and been asked to present at the national CMS Conference on systems change in April 2006. Also, the recently passed Deficit Reduction Act of 2005 allows for states to implement programs as MFP in their states. The principles of TX' program are incorporated into the federal law.

21. Has the program been fully implemented? If NO, what actions remain to be taken?

    The program is fully implemented with TX' nursing facilities. Additional supportive services such as relocation facilitation continue to be refined.

22. Briefly evaluate (pro and con) the program's effectiveness in addressing the defined problem[s] or issue[s]. Provide tangible examples.

The program has been highly successful for both the aging and/or disabled populations living in nursing facilities without any additional costs to the state. From September 1, 2001, through December 31, 2005, 10,156 individuals transferred from nursing facilities into the community. Of that number, 5597 individuals remain in the community. This has had a tremendous impact on the aging population with approximately two-thirds of the transferred population being over the age of 65. There are significant number of persons in their 80s; 90s; and even 12 persons over 100 who have transferred. Of major import is the concept of system change. TX is a leader in the rebalancing of its long term care system.

There are real no cons to the program. The transition process has illuminated certain obstacles to transition such as housing and transportation but the state has initiated other activities to address those barriers.

23. How has the program grown and/or changed since its inception?

Please see response to Question 22. There has been geometric growth in the program with significant increases each fiscal year. As more persons learn about the program and/or see successful transitions, there are increasing demands for access to the program. MFP is not limited and is open to anyone.

The program has changed only in the development of supportive functions such as the development of the relocation specialists program and the Real Choice grant funded transition teams. A by-product of the program has been the increased collaboration of not-for-profit organizations, the private sector, and governmental entities. The state has a very proactive Olmstead response (Promoting Independence Initiative) and monitors the progress of the program closely.

24. What limitations or obstacles might other states expect to encounter if they attempt to adopt this program?

Issues that states must take under consideration are:

a. Occupancy rate of their Medicaid-certified nursing facilities
b. Having the appropriate 1915 (c) waiver or other Medicaid community based programs in place
c. Adequate home health provider network
d. Collaboration of all stakeholders
e. Legislative concerns regarding financing
f. Possible resistance with nursing facility providers
g. Development of supportive services such as relocation specialists and local community coordinating groups

Add space as appropriate to this form.

Return a completed application electronically to innovations@csg.org or mail the paper copy to:

CSG Innovations Awards 2006
The Council of State Governments
2760 Research Park Drive, P.O. Box 11910
Lexington, KY 40578-1910

Deadline: All original applications must be received by March 4, 2006 to be considered for a 2006 Innovations Award.