

Money Follows the Person Rebalancing Demonstration Request for Additional Information

North Carolina

There are three sections of this request for additional information. States need to respond to all three sections by February 20th in order to continue to be considered for funding. The three sections include a verification of the budget which permits some calculated measures of grant adequacy such as per capita expenditures on services; clarification of the rebalancing goals of the project; and a response to issues raised by independent reviewers during the application paneling process. If you have any concerns about this request please respond back via e-mail to the MFP team member that transmitted the document to you.

Section I. Verification of Budget

To clarify information that was interpreted differently across States, we are asking all States to complete the attached excel file titled MFPBudgetForm.xls. This file is set up to have the states fill in necessary information and then use the information to autocalculate several measures. The only cells that should be filled in by the States are those highlighted in yellow. Most of these cells represent total cost measures. This means that the number filled in should be the *total* costs of the service or administrative expense (not just the enhanced portion and not just the state or federal share.)

We will use three measures to review your applications including per capita service costs, per capita administrative costs and a proxy measure called the “rebalancing fund”. The per capita measures are indicators of the scope of the service package that the State will make available to transitioned individuals and the efficiency of State in administering the demonstration program. These measures will not be evaluated for how low they are. We would like to see adequate service packages and responsible administration acknowledging that new information technology systems need to be put in place in addition to reimbursement systems, enrollment, eligibility, outreach, and consumer protection mechanisms. However, we also would like to see understanding that this is not an infrastructure grant and that administration should be tied to operations.

The “rebalancing fund” measure is an analytical tool to examine the difference between what the State would have spent to match the services for individuals under the transition program without the enhanced match, less what the State actually had to put forward with the enhanced match. This measure is helpful to CMS to evaluate information provided by the States on how the State intends to use the opportunity presented by this program to rebalance State systems. Since all States have committed to maintaining their effort with regard to spending on HCBS services, States with large “rebalancing funds” should be putting forth similarly ambitious rebalancing benchmarks, or goals, for the five years of participation in this program.

Additionally, the form requires States to fill in the *unduplicated* number of individuals expected to be transitioned for each year of State participation. Please count the person in the year that they will physically transition.

Finally, the budget form that was used in the application did not allow for higher match rates for certain types of administration as allowed under Medicaid law and this demonstration. This form corrects that error by including the pertinent references to higher administrative match rates that are permitted. The costs of any State proposed evaluation is matched at 50% as stated in the solicitation and is listed separately on the form.

Attachment: MFPBudgetForm.xls

Section II. Rebalancing Benchmarks

Two specific benchmarks were required by all applicants in their responses to the RFP. These two benchmarks were:

- ♣ The projected number of eligible individuals in each target group of eligible individuals to be assisted in transitioning from an inpatient facility to a qualified residence during each fiscal year of the demonstration.
- ♣ Qualified expenditures for HCB services during each year of the demonstration program.

Most States clearly met this requirement and any lack of clarity will be resolved because the information necessary for these two benchmarks is reinforced on the budget form discussed in the previous section.

In addition to the benchmarks on the transition program, states were asked to discuss the rebalancing objective of the demonstration and provide proposed annual benchmarks establishing empirical measures to assess the State's progress in rebalancing its long-term care system. In approved applications, these proposed measures will be further developed and approved as part of the approval process for the Operational Protocol. However, in many applications identification of the rebalancing goals of the States was difficult.

The Operational Protocol instruction guide that will be given to all funded grantees contains the following instructions regarding rebalancing benchmarks:

“Awardees must propose, at a minimum, 3 additional measurable benchmarks which address some of the elements of rebalancing. These benchmarks should be measures of the progress made by the State to direct savings from the enhanced FMAP provided by this project towards the development of systems improvements, enhancing ways in which money can follow the person (see Appendix A of the solicitation). These additional measurable benchmarks may include:

- A percentage increase in HCB versus institutional long-term care expenditures under Medicaid for each year of the demonstration program.

- Establishing a trusted, visible, and reliable system for accessing information and services by a date certain (i.e., the establishment or expansion of one-stop shops).
- Establishing processes for screening, identifying, and assessing persons who are candidates for transitioning to the community that are put into use in the general Medicaid program beyond recruitment for the MFP demonstration.
- Progress directed by the State to achieve flexible financing strategies, such as global or pooled financing or other budget transfer strategies that allow “money to follow the person”.
- Increasing available and accessible supportive services (i.e., progress directed by the State in achieving the full array of health care services for consumers, including the use of “one-time” transition services, purchase and adaptation of medical equipment, housing and transportation services beyond those used for MFP transition participants).
- Increases in an available and trained community workforce (i.e., direct interventions, undertaken by the State, to increase the quality, the quantity and the empowerment of direct care workers).
- Increasing self-directed services (i.e., progress directed by the State to expand the opportunities for Medicaid eligible persons beyond those in the MFP transition program to either directly, or through representation, to express preferences and desires to self-direct their services and supports).
- Increasing transition coordinators used to assist individuals in Medicaid find appropriate services and supports in the community.
- Improving quality management systems (i.e., direct inventions undertaken by the State to ensure the health and welfare of participants is protected while also maintaining consumer choice).
- Expanding and improving health information technology (i.e., progress directed by the State to build systems that accommodate the business needs of multiple organizations that serve the same populations).
- Improving cultural and linguistic competence (i.e., language assistance services, including patient-related written materials).
- Expanding interagency and public/private collaboration (i.e., direct interventions undertaken by the State to achieve a higher level of collaboration with the private entities, consumer and advocacy organizations, and the institutional providers needed to achieve a rebalanced long-term care system).
- Others as proposed by the State.

The State has agreed to maintain its effort through the life of the Demonstration program and should propose true rebalancing efforts that will be sustained in the Medicaid system beyond the life of the Money Follows the Person Rebalancing Demonstration.

The benchmarks must be stated as measurable, annual outcomes. There are no benchmarks required for the FY 2007 FY beyond the completion of the

operational protocol. Benchmarks should begin in 2008 and will continue through 2011.”

For purposes of responding to this Request for Additional Information, the State must submit a response to the first bullet from the operational protocol excerpt above: “A percentage increase in HCB versus institutional long-term care expenditures under Medicaid for each year of the demonstration program”. The State should list the years of participation and the percentages of HCBS versus institutional spending.

Additionally, the State must discuss in narrative form what changes it intends to make over the duration of the demonstration that will establish lasting improvements enabling money to follow the individual. The State may use the suggestions above from the operational protocol or it may propose others. This response should be no more than two pages.

Section III. Issues Raised through Independent Review

States receiving this request for additional information were states that received reduced scores because independent reviewers expert in the field of long-term care raised significant issues to CMS in the review process. CMS staff have subsequently performed an analysis of the issues raised, and have generated a list of questions to be addressed by the State and included in the State’s response. The response to these questions may be as long as necessary to clearly address the question.

State Specific Questions which must be addressed

1. Please describe how you will address the Medicaid financial eligibility criteria so that money can follow the person in your MFP program?
2. Much of your MFP program hinges on legislation approval. If the legislature does not come through with all that is planned, what are your contingency plans for implementation of your MFP program?
3. Can your current infrastructure successfully implement a MFP program, please explain how ?
4. Are Level III group homes qualified institutions for the purposes of the demonstration, state how they meet the definition of “qualified institutions”?
5. Please describe how you will protect the health and welfare of individuals transitioning to the community and ensure that services and supports will be provided during the time of transition and in the first year in the community.

The following are additional questions and concerns that were raised by the expert review panel and will need to be addressed in the Operational Protocol if you are awarded a MFP Demonstration Grant:

1. Why the population being transferred from Level II group homes is so much more expensive to transfer than other populations;
2. How “capped services” will be addressed in the MFP demonstration;
3. Description of your self direction program and how it will work in the MFP program;
4. Description of the services that will be available to individuals while they are transitioning out of institutions into the community;
5. Whether adults with mental health issues and older adults in mental health facilities are being included in your MFP demonstration;
6. Description of the role consumers will have in the implementation of the MFP program, and how they will be included in the quality improvement and evaluation processes;
7. Details of how housing will be made available, and what housing will be available to individuals who transition to the community;
8. How ICF/MR providers will be involved in the MFP program;
9. Definition of the roles and responsibilities of staff who will be implementing your MFP program; and
- 10 Plans for how the workforce shortage will be addressed.