Brief Report

Medicaid savings continue in the year after end of participation in the program, Money Follows the Person

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ABSTRACT

Background: The aim of this analysis was to compare Georgia's Medicaid expenditures for participants in the Money Follows the Person (MFP) six months before, 12 months during, and 12 months after MFP participation.

Methods: Differences in Medicaid expenditures for three populations of MFP participants (individuals with developmental disabilities, individuals with physical disabilities, and older adults) were compared by use of repeated measures t-tests.

Results: Per-member per-month Medicaid expenditures were lower across the three populations when comparing six months prior to transition from an institution to 12 months after leaving the MFP program.

Conclusions: The incorporation of features from programs such as MFP into existing state Medicaid long-term services and supports may assist in reducing the growth of future expenditures.

Keywords: Medicaid, cost, Money Follows the Person, Centers for Medicare and Medicaid Services

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INTRODUCTION

In 2013, spending for long-term services and supports (LTSS) accounted for 34 percent of all Medicaid spending nationwide (Eiken, Sredl et al. 2014). States have controlled LTSS expenditures through use of home and community-based services (HCBS) (Kaye, LaPlante et al. 2009). The 2005 Deficit Reduction Act authorized the Money Follows the Person (MFP) Demonstration (Centers for Medicare and Medicaid Services 2009). Georgia was one of the first states to implement MFP in 2008. The aim of this analysis was to compare Georgia's Medicaid expenditures for MFP participants six months before, 12 months during, and 12 months after MFP participation.

METHODS

Setting

Before Georgia implemented MFP, approximately 36% of Georgia Medicaid LTSS was in HCBS; by 2014, 48% of Medicaid LTSS was in HCBS (Truven 2016). Georgia MFP participants include older adults, adults with physical disabilities, and individuals with intellectual or developmental disabilities. Forty-three states and the District of Columbia have MFP programs. To date, Georgia has transitioned more than 2,200 participants through MFP.

Data were derived from Georgia's Medicaid payment and enrollment systems from January 2009 to December 2012. Included were records for each Georgia Medicaid member of age 18 and above whose enrollment data indicated a transition from an institution to a community setting through the MFP program. From the original 1,240 members with a transition, the following exclusions were made: duplicate members (8), more than one enrollment in the period (8), length of stay in MFP less than 365 days (105), and not continuously enrolled in Medicaid in the 30-month study period (288). The final study sample included the records of 831 Medicaid members, as follows: 410 individuals with developmental disabilities, 244 individuals with physical disabilities, and 177 older adults. Study approval was obtained from the Georgia State University Institutional Review Board.

Per-member per-month (PMPM) Medicaid expenditures were compared within groups across three periods by use of repeated measures t-tests. The six months period prior to transition was defined as the "before" period; the 12 months after transition (during MFP program participation) was defined as the "during" period; and the 12 months after MFP discharge was defined as the "after" period. Medicaid expenditures were stratified into categories of facility (intermediate care facilities for the mentally retarded and nursing homes), waiver (Medicaid services delivered in the community to individuals who would otherwise meet a nursing facility level of care), and other (e.g., inpatient and outpatient medical care and prescriptions).

RESULTS

Total average PMPM costs for each group across periods are shown in Table 1. Within population groups, differences in PMPM costs between "before" and "during" and "before" and "after" were statistically significant.

Table 1. Total average PMPM expenditures for MFP participants in Medicaid before, during, and after transition from MFP

	Individuals with developmental disabilities (n=410)	Individuals with physical disabilities (n=244)	Older adults (n=177)
Before	$8,459	$5,200	$3,654
During	$7,730**	$3,604**	$1,957**
After	$8,036*	$3,595**	$2,260**

Source: Authors' analysis of state Medicaid data; *p<0.1; **p<0.01

Expenditure differences within groups across time periods by service type are shown in Table 2. For all populations, the highest expenditures in the "before" period were for facility services. The highest expenditures in the "during" and "after" periods were for waiver services. For the group of individuals with developmental disabilities, costs for the "during" and "after" periods were significantly different from that for the "before" period (p<0.01). For the remaining two populations, facility and waiver costs in the "during" period were significantly different from that for the "before" period (p<0.01); "other" costs were not significantly different. In comparing the Medicaid costs of individuals with physical disabilities and older adults between the "before" and "after" periods, facility and waiver costs were significantly different for both groups (p<0.01). "Other" costs were significantly different for individuals with physical disabilities (p<0.1) but not for older adults.

Table 2. Average PMPM Medicaid expenditures for MFP participants before, during, and after transition from MFP, listed by service type

	Individuals with Developmental Disabilities (n=410)	Individuals with Physical Disabilities (n=244)	Older Adults (n=177)
Before			
Facility	$8,303	$3,396	$3,313
Waiver	$15	$20	$10
Other	$141	$1,784	$331
During			
Facility	$16**	$182**	$375**
Waiver	$7,306**	$1,953**	$1,187**
Other	$408**	$1,469	$395
After			
Facility	$32**	$340**	$732**
Waiver	$7,575**	$1,978**	$1,098**
Other	$429**	$1,277*	$430

Source: Authors' analysis of state Medicaid data; *p<.1; **p<.01

DISCUSSION

Across all groups in Georgia's MFP program, total average PMPM expenditures were lower during participation in the MFP program and 12 months after leaving the program as compared with the six months prior to transitioning from an institution. This is consistent with previous findings that LTSS provided in community settings are less costly to Medicaid than those provided in institutions (Kaye, LaPlante et al. 2009). This indicates that the Medicaid expenditures of individuals who have lived in institutional settings – some for decades – can be well managed after temporary, programmatic supports are no longer available.

Limitations

The analysis is for a single state. To the degree that Medicaid and MFP programs vary across states, these results may not be generalizable. Medicaid members without continuous enrollment for 30 months (22% of the original population) were not included in the analysis. Since individuals with continuous enrollment may have greater needs and higher expenditures, this analysis may not be representative of all individuals who have participated in the MFP program. To aid transition, MFP participants are eligible to receive supports not typically paid for by Medicaid (Denny-Brown, Hagen et al. 2015). These expenditures were not included in the analysis. Finally, this analysis lacked a control group and used subjects from the

before to after periods as their own controls.

CONCLUSIONS

The incorporation of features from programs such as MFP into existing state Medicaid LTSS may assist in reducing the growth of future expenditures. These results are timely, as the nation debates the design of future Medicaid programs. Medicaid expenditures alone, however, should not be the only factor in considering HCBS. Adequate staff, infrastructure, and housing must also be in place to ensure appropriate transitions to community living.

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