



**Wilma\*** is 94 years old, has no children, and her husband died more than 20 years ago. She was living with her niece's family when a heart attack briefly put her in a nursing facility. She had only been home a couple of weeks when a second heart attack—this one much more severe—sent her back to the nursing facility and put her future in question. Four years passed. It seemed likely she would be institutionalized for the rest of her life.

# Texas Independence: Money Follows the Person in the Lone Star State

By **Marc S. Gold** and **Dena M. Stoner**



**Mike\*** was only 27 years old, but had been in and out of nursing facilities for most of his adult life. Diagnosed with schizo-affective disorder, insulin-dependent diabetes, and a substance abuse problem, he had lived on the street since his mid-teens and was in precipitous physical condition. Upon his last nursing facility admission, Mike, who is 5'9" tall, weighed a mere 80 pounds. The nursing facility restored him to a healthy 140 lbs, but he remained unprepared to make his own way in the community. While he is friendly and engaging, Mike was considered a behavior problem in the facility because he did not understand how to respect people's personal space.

\*The anecdotes in this story are from true cases. Names and identifying details have been changed for reasons of confidentiality. Photos are simulated using models.

Wilma and Mike are just two examples of thousands of Texans with a diverse range of disabilities who have sought independence through a process known as Money Follows the Person (MFP), which allows Medicaid home- and community-based services (HCBS) funds to “follow” individuals from institutions to the community.

## The Texas Story

Everything is bigger in Texas. Since its inception, more than 35,000 Texans have returned to life in the community from nursing facilities and intermediate care facilities for individuals with intellectual disabilities (ICFs/IID) using the services and supports provided under MFP. Texas is one of the originators of the MFP financing policy and served as a model for the national MFP Rebalancing Demonstration.

Currently, Texas accounts for 27 percent of total community relocations under the MFP national demonstration. The success of MFP in Texas is the result of a number of factors, including a history of innovation in community-based services and a tradition of intense collaboration between advocates, state executives and legislative leadership.

Texas is fiscally conservative, with stringent eligibility criteria for

Medicaid. Consequently, the state must be creative in leveraging Medicaid to fuel innovation. Beginning in the early 80s, for example, Texas used a Medicaid waiver and, subsequently, a state plan amendment to provide personal assistance services to individuals with income above the Supplemental Security Income (SSI) level who qualified financially for Medicaid in an institution. This approach enabled the state to delay or divert these individuals from nursing facilities without making them eligible for full Medicaid benefits.

As a result of access to personal assistance services, nursing facility admission rates have remained relatively stable for 30 years despite an explosive population growth rate of more than twice the national average for all age groups.

Collaboration between advocates and state leadership has contributed to a number of large scale initiatives. These initiatives progressively

broadened the array of community-based programs and made services available to many more people. Beginning in 1985, Texas implemented a series of HCBS programs for various populations. In 1998, Texas implemented STAR+PLUS, one of the nation’s first managed care programs, which included both acute medical care and HCBS services under combined federal Medicaid waivers. The STAR+PLUS program provided greater flexibility in financing services, enabling Texas to eliminate the HCBS waiting list for STAR+PLUS members on SSI.

## Promoting Independence

Not surprisingly, Texas was one of the first states to have a comprehensive working plan in response to the U.S. Supreme Court’s Olmstead decision, which affirmed the fundamental right of people with disabilities to live in the community. In 1999, Governor George W. Bush issued an executive



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order which began Texas' Promoting Independence Initiative. This directive was reinforced by a second executive order from Governor Rick Perry. Texas was now poised to take its long-standing commitment to community-based services to the next level.

These executive orders ultimately resulted in a comprehensive plan, including policy and financing recommendations spanning the spectrum of services to people with disabilities, which the Texas Legislature codified into law in 2001. The plan is a living document, developed in close collaboration with the state's Promoting Independence Advisory Committee which includes leadership representing aging and disability advocates, providers and state agencies. The plan is

Person budgetary line item. From the beginning Texas has understood the importance of building infrastructure to support people in their transition to the community.

Elements include:

- ♦ **Relocation funding:** state and Medicaid funding that helps a person pay for costs associated with establishing a home, such as housing downpayments and household items.
- ♦ **Relocation Contractors:** identify individuals who want to relocate, help them find housing, assist them in relocating, and follow up to make sure the person has successfully relocated.
- ♦ **Community Transition Teams:** 13 regional coordinating groups who work to remove specific barriers to

federal Money Follows the Person Demonstration grant with an appropriation of \$1.7 billion dollars. The Affordable Care Act extended the program through 2016 and added an additional \$2.2 billion. The demonstration provides enhanced federal funding to states for infrastructure building and services to help people successfully relocate. Texas is using the federal demonstration to expand its already ambitious efforts. For example, Texas committed to helping individuals living in larger ICFs/IID relocate to smaller community residences. The state's Mental Health, Long Term Services, and state Medicaid agencies also partnered to pilot specialized services that help people who want to leave nursing facilities overcome

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revised every biennium and guides the state's innovations.

In 2001, the Texas Legislature created Money Follows the Person. A budget rider allowed individuals receiving Medicaid-funded nursing facility services access to HCBS waiver and other community services without being placed on an interest (waiting) list. The rider transferred appropriated funds from the nursing facility to the community program budget when an individual was discharged, enabling the money to literally follow the person. In 2005, the legislature codified the policy into law and established a distinct Money Follows the

relocation in their communities. The teams include state agencies, relocation specialists, Medicaid managed care organizations, housing authorities, ombudsmen, and other community resources.

- ♦ **Housing Voucher Program:** administered through Texas' housing financing agency, it has provided more than 600 Section 8 federal housing vouchers for individuals relocating under MFP thus far.

By 2005, more than 12,000 individuals had relocated under the state's MFP program. Congress took note of this success and authorized the

the additional challenge of mental illness and/or a substance use disorder. The pilot includes evidence-based rehabilitative services, pioneered by Texas researchers to help people with cognitive challenges caused by conditions such as schizophrenia live more independently. This pilot has been very successful, with 87 percent of participants remaining in the community.

Demonstration funds are also being used to provide training for direct service workers; intensify quality management activities; increase ombudsman activities; and provide housing navigation and employment services. In addition, demonstration

# In the End ...



**Mike's** dream was to have a job and a place of his own. Relocation services and his HMO helped him find assisted living and move from the nursing facility. With the help of MFP-funded behavioral health demonstration services, Mike set employment goals, learned to interview and received vocational training. He began working 20 hours a week. He also learned the social skills needed to get along in the community. He handled daily activities like catching the bus, taking medication, doing laundry, and caring for himself. MFP services also helped him learn to manage his blood sugar level and eat healthy foods. His Medicaid HMO service coordinator helped him get the health services he needed. Through substance abuse counseling, Mike was able to understand issues in his past and reconnected with his natural family. After a hospital stay, he returned to the workforce as a customer service representative. In this job, his engaging personality was an asset.



**Wilma** was able to return to live with her niece and her family. MFP enabled her to get the daily personal assistance she needed. The relocation specialist helped her obtain the equipment she needed to make the transition back to her home. Wilma, who "hated" the restrictions and dependence of being in an institution, is now able to, in the words of her niece "do what she wants, if she wants and when she wants."

funding supports Aging and Disability Resource Centers, which will eventually serve as a "no wrong door/single entry point" for all Medicaid-funded long-term services and supports.

## The Future

MFP and Promoting Independence have become integral to the way Texas thinks about long-term services and supports. They form the philosophical basis and infrastructure upon which further innovation occurs. There is no moving backward. New opportunities such as the Balancing Incentives Program will enable states like Texas to further improve the technological and policy infrastructure that promotes independence in the community. Forty-four states now participate in the federal MFP Demonstration, which will operate through 2016. The lessons learned in Texas can help inform efforts to transform systems and lives across the nation.

While the size and scope of MFP are measures of its success, it is the impact of MFP on each person that tells the most important story. 