

Money Follows the Person Demonstration Program
Maintenance of Effort Instructions
October 2006

Background

The Deficit Reduction Act of 2005 Section 6071(c)(9) requires the States to provide information and assurances that total expenditures under the State Medicaid program for home and community-based long-term care services will not be less for any fiscal year during the Money Follows the Person (MFP) demonstration project than for the greater of such expenditures for fiscal year 2005 or any succeeding fiscal year before the first of the year of the MFP demonstration project. The Centers for Medicare and Medicaid Services (CMS) has clarified this to mean that maintenance of effort (MOE) will be monitored by comparing spending in the baseline year (2005 for grantees applying in 2006) to future years. The spending will be in aggregate and will include spending on all 1915(c) and 1915(b) (c) waivers as well as spending on certain State plan services including personal care and home health. The expenses that should be reported for MOE should be based on statewide spending for all populations. In other words, the MOE expenditures should not be limited to demonstration service areas or to demonstration populations. These expenditures will be collected annually by CMS and verified through the administrative data reported to the central and regional offices.

This MOE data will be used to support the States' proposed benchmarks to establish empirical measures to assess the States' progress in rebalancing its long-term care system. The proposed benchmarks must conform with requirements specified in Section 6071(d)(4)(a).

After reviewing the pros and cons of available administrative data reported to the CMS (Form CMS-64, 372 form and the Medical Statistical Information System (MSIS)), CMS has decided to use Form CMS-64 for the purposes of monitoring MOE. This is because the amounts reported on Form CMS-64 and its attachments are the actual expenditures for which all supporting documentation, in readily reviewable form, has been compiled and is available immediately at the time the claim is filed. Form CMS-64 is a statement of expenditures for which States are entitled to Federal reimbursement under Title XIX and which reconciles the monetary advance made on the basis of Form CMS-37 filed previously for the same quarter. Consequently, the amount claimed on the Form CMS-64 is a summary of expenditures derived from source documents such as invoices, cost reports and eligibility records. All summary statements or descriptions of each claim must identify the claim and source documentation. Claims developed through the use of sampling, projections, or other estimating techniques are considered estimates and are not allowable under any circumstances. Where States are unable to develop and document a claim for expenditures on a current basis, they must withhold it until the actual amount, supported by final documentation, has been determined. The State must report that amount on a future Form CMS-64 as a prior period adjustment.

Instructions for Completing the Modified Form CMS-64 for MFP MOE

For the purposes of attaining the baseline expenditures for fiscal year 2005 for the MOE under this demonstration, the State will report the most recent fiscal year 2005 Medicaid expenditures through CMS's modified Form CMS-64 Base and Waiver. The demonstration forms list the demonstration services and their appropriate match rates for reimbursement. These forms will be for purposes of demonstration administration, monitoring, and audit only and will be an internal document for use by the demonstration team at the state and federal levels. **States should report both institutional and community-based long-term care spending on these MFP MOE forms.**

Reimbursement will actually occur through the 272 that is submitted to the payment management system by the State. The 272 form will be required to reflect the aggregate service expenditures as broken out on the demonstration Form CMS-64.

✓ MFP MOE State Plan Services

Lines 1 through 4 are the same figures that the State would report on the Form CMS-64 BASE.

For Line 2, please specify if your State provides institutions for mental disease (IMD) services for the MFP population in the MFP MOE NARRATIVE.

Line 5 (Clinic Services) is the amount found in Line 10 of the Form CMS-64 BASE. The State should provide an explanation of these services (e.g. the State provides Adult Day Health services and the actual expenditures for this should be provided).

Line 6 (Targeted Case Management for Long Term Care) is the amount found in Line 24 of the Form CMS-64 BASE.

Line 7 (PACE) is the amount found in Line 22 of the Form CMS-64 BASE. The State should provide the total aggregate Medicaid rate.

Line 8 (Rehabilitation Services) is an optional Medicaid State plan service and the State should provide additional information on the MFP MOE NARRATIVE to explain the services if the State chooses to provide these services for the MFP population.

Line 9 (Home Health Services) is the amount found in Line 12 of the Form CMS-64 BASE.

Line 10 (Hospice) is the amount found in Line 26 of the Form CMS-64 BASE.

Line 11 (Personal Care Services) is the amount found in Line 23 of the Form CMS-64 BASE.

Line 12 (Other) is the actual expenditures by the State on long-term care services under the State plan. An explanation of the expenditures and the long-term care services provided should be presented on the MFP MOE NARRATIVE form.

✓ **MFP MOE WAIVER**

This form breaks out the services that would be reported in aggregate on Line 19 (Home and Community-Based Services). If the State has more than one approved home and community-based services (HCBS) waiver, the State would usually attach a schedule to the FORM CMS-64.9P WAIVER form showing expenditures for each approved waiver. The expenditures found on this schedule may provide the appropriate amounts to complete the MFP MOE WAIVER form. If there were no attached schedule to the Form CMS-64.9P WAIVER, then the State may look at the 372 form that they have submitted for fiscal year 2005 to get the information to complete the MFP MOE WAIVER form.

Listed services (Lines 1 through 13) are statutory services specifically mentioned in §1915(c) of the Social Security Act and 42 CFR §440.180. The alternate service titles should be noted in the MFP MOE NARRATIVE.

For additional information and to provide an explanation for Line 14 (Other), States should use the MFP MOE NARRATIVE to explain why the services listed in this category is not part of the services listed in numbers 1 through 13. The information should list both institutional and community-based long-term care services and the expenditures for fiscal year 2005.

✓ **MFP MOE NARRATIVE**

The State should use the modified demonstration Form CMS-64 Narrative to provide further information on services provided under the demonstration. For States that establish a waiver mid-year, those States should annualize any partial year services and provide an explanation in the MFP MOE NARRATIVE form.

For the MFP MOE NARRATIVE, the State should report a listing of all the optional State plan services that the State will provide for the MFP population and optional waiver services that are both institutional and community-based long-term care services along with the expenditures for those listed. This is in addition to the further explanation of services and expenditures provided for services listed under both the MFP MOE State Plan Services and MFP MOE WAIVER forms.

CERTIFICATION REGARDING MAINTENANCE OF EFFORT

In accordance with the applicable program statute(s) and regulation(s), the undersigned certifies that financial assistance provided by the Centers for Medicare and Medicaid Services, for the specified activities to be performed under the _____ Program by _____ (Applicant Organization), will be in addition to, and not in substitution for, comparable activities previously carried on without Federal assistance.

Signature of Authorized Certifying Official

Title

Date

