

Table 2: Overview of Six Key Medicaid LTSS Options Provided by the ACA

Program Name	Summary	Enhanced Federal Funding Available?	Application Process	Open to all states?	Time-limited?	Self-directed services permitted?
Money Follows the Person Demonstration (MFP)	Offers home and community-based, demonstration, and supplemental services for Medicaid beneficiaries who would otherwise require institutional care and who transition to a house, apartment, or group home with less than four non-related residents. Medicaid beneficiaries who reside in an institution for more than 90 consecutive days are eligible to participate.	Yes; enhanced federal medical assistance percentage (FMAP) for one year for services for each beneficiary.	Demonstration grant program	Yes	Yes; The Affordable Care Act (ACA) extended MFP through September 2016 with an additional \$2.25 billion.	Yes
Financial Alignment Demonstrations for Dual Eligible Beneficiaries	Tests capitated and managed fee-for-service models that integrate Medicare and Medicaid benefits and align financing for dual eligible beneficiaries.	No; but design contracts of up to \$1 million were awarded to 15 states in 2011, and states with approved memoranda of understanding (MOUs) may apply for implementation grant funding.	Demonstration program pursuant to § 1115A waiver authority	Yes; application period is currently closed.	Yes; three year demonstrations to begin in 2013 or 2014.	Yes
Health Home State Plan Option	Provides care management and coordination services for beneficiaries with chronic conditions.	Yes; temporary 90% enhanced FMAP for first two years; also planning funds of up to \$500,000 available.	State Plan Amendment (SPA)	Yes	No; effective January 2011.	Yes
Balancing Incentive Program	Financial incentive program for states that implement structural reforms to increase access to home and community-based services (HCBS) as an alternative to institutional care. Required elements include: (1) a "no wrong door"/single entry point system for all long-term services and supports (LTSS); (2) conflict-free case management services; and (3) a core standardized assessment instrument for determining eligibility.	Yes; states spending < 25% of total Medicaid LTSS expenditures on HCBS in FY 2009 will receive a 5% FMAP increase and will be expected to reach a 25% expenditure target during the balancing period; states spending 25%-50% for HCBS will receive a 2% FMAP increase and will be required to reach a 50% expenditure target.	SPA or waiver	No; only states whose HCBS expenditures were less than 50% of total Medicaid LTSS expenditures in FY 2009 can participate.	Yes; October 2011 through September 2015 with \$3 billion allocated to the program.	Yes
Home and Community-Based Services (HCBS) State Plan Option (§ 1915(i))	Offers HCBS to beneficiaries who meet needs-based criteria that are less stringent than the state's institutional level of care criteria. Services must be statewide and waiting lists are not permitted. ACA amendments allow state plan HCBS to be targeted to particular groups of beneficiaries, expand financial eligibility for state plan HCBS, establish a new coverage group for individuals not otherwise eligible for full Medicaid benefits who receive state plan HCBS, and expand the HCBS that states may cover under this option.	No	SPA	Yes	No; effective October 2010, as amended by ACA.	Yes
Community First Choice State Plan Option (§ 1915(k))	Offers home and community-based attendant services and supports to beneficiaries who require an institutional level of care. Services must be provided statewide with no enrollment caps.	Yes; 6% enhanced FMAP for services provided under the option.	SPA	Yes	No; effective October 2011.	Yes; required.

SOURCE: The Patient Protection and Affordable Care Act, Pub.L. 111-148, 124 Stat. 119, H.R. 3590, enacted March 23, 2010. Available at: <http://www.govtrack.us/congress/bills/111/hr3590>.