

## DEPARTMENT OF HEALTH & HUMAN SERVICES

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**Public Affairs Office**

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## MEDICAID NEWS

**FOR IMMEDIATE RELEASE**

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### **CMS AWARDS GRANTS TO 13 STATES FOR ALTERNATIVES TO NURSING HOME CARE**

Thirteen states and the District of Columbia will get more than \$547 million in grants over five years to build Medicaid long-term care programs that will help keep people at home and out of institutions, Leslie V. Norwalk, Acting Administrator of the Centers for Medicare and Medicaid Services (CMS) announced today.

Today's awards are the second round of grants that will total \$1.75 billion over five years (2007-2011) to help shift Medicaid's traditional emphasis on institutional care to a system offering greater choices that include home and community-based services.

This "Money Follows the Person" initiative was included in the Deficit Reduction Act of 2005 (DRA), currently being implemented by CMS. It is a component of the administration's New Freedom Initiative, a nationwide effort to remove barriers to community living for people of all ages with disabilities or chronic illnesses.

"There is more evidence than ever that people who need long-term care prefer to remain in their own homes and communities whenever possible," said Ms. Norwalk. "This new program will help states shift Medicaid's traditional emphasis on institutional care to a system offering greater choices that include home-based services.

"States will also benefit by giving the elderly and people with disabilities more control over how and where they receive the Medicaid services they need."

States expect to be able to move more than 14,000 people into community settings using these grant awards.

The Medicaid program traditionally pays for care for elderly and disabled individuals living in institutions who need help with activities of daily living. To fund home and community-based services, states must obtain waivers of normal program rules designed to pay for care in institutions.

“The concept of money following the person to the most appropriate setting improves beneficiary satisfaction while reducing Medicaid costs,” Ms. Norwalk said. “We intend to keep taking steps to remove barriers and rebalance the options for Medicaid-funded long-term care.”

States receiving grants today (see list below) will design programs with four major objectives:

- Increase the use of home and community-based, rather than institutional, long-term care services;
- Eliminate barriers or mechanisms that prevent Medicaid-eligible individuals from receiving support for appropriate and necessary long-term services in the settings of their choice;
- Increase the ability of the state Medicaid program to assure continued provision of home and community based long-term care services to eligible individuals who choose to move from an institutional to a community setting; and
- Ensure that procedures are in place to provide quality assurance for individuals receiving Medicaid home and community-based long-term care services and to provide for continuous quality improvement in such services.

All states were eligible to participate in the five-year demonstration program and had to commit to provide demonstration services for at least two years.

States receiving grant funds will qualify for a higher percentage of federal matching dollars to help cover the costs of moving people out of nursing homes and into community settings. The higher matching rate will be paid for one year after an individual moves out of an institution and into the community. The state must continue to provide community services after that period as long as the person needs community services and is Medicaid eligible.

“These demonstration grants are a clear sign of our continued commitment to expand choice to all Medicaid beneficiaries as well as allowing them the independence to live at home and contribute to their communities,” said Ms. Norwalk.

For more details about the New Freedom Initiative, of which this demonstration is part, visit the CMS web site at: <http://www.cms.hhs.gov/newfreedom/>.

**2007 MONEY FOLLOWS THE PERSON  
REBALANCING DEMONSTRATION AWARDS**

**Awards**

<b>State</b>	<b>Transitions</b>	<b>Year One Award Amount</b>	<b>Five Year Commitment</b>
Delaware	100	\$132,537	\$5,372,007
District of Columbia	1110	\$2,546,569	\$26,377,620
Georgia	1,347	\$480,193	\$34,091,671
Hawaii	415	\$231,250	\$10,263,736
Illinois	3,357	\$6,879,166	\$55,703,078
Kansas	934	\$102,483	\$36,787,453
Kentucky	431	\$4,973,118	\$49,831,580
Louisiana	760	\$524,000	\$30,963,664
New Jersey	590	\$230,000	\$30,300,000
North Carolina	552	\$16,055	\$16,897,391
North Dakota	110	\$18,089	\$8,945,209
Oregon	780	\$80,785	\$114,727,864
Pennsylvania	2600	\$130,609	\$98,196,439
Virginia	1041	\$13,793	\$28,626,136
<b>Totals</b>	<b>14127</b>	<b>\$16,358,647</b>	<b>\$547,083,848</b>

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