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Iowa to Launch Model Program that Offers More Autonomy and Better Quality of Life to Elderly Medicaid Beneficiaries and Those with Disabilities

State Department of Human Services Receives Three-year \$250,000 Grant to Replicate Successful Cash and Counseling Program

DES MOINES, IA (October 7, 2004) – The State of Iowa today received a \$250,000 grant from The Robert Wood Johnson Foundation, becoming one of 11 new states to participate in the expansion of the successful Cash & Counseling program. The program gives Medicaid recipients more choice and control over the personal care services they are eligible to receive.

Within the next three years, 16,418 older adults and persons with disabilities who receive Medicaid in Iowa will be given the option to direct their own personal care services and live more independently through a proven program to be administered by the state Department of Human Services with support from the University of Iowa's Employment Policy Group.

“Medicaid recipients who need help with highly personal things like bathing, toileting, dressing, preparing meals, and housekeeping, want flexibility and a sense of control over how, by whom, and when that help is provided,” said Kevin Concannon, director of the Iowa Department of Human Services. “The Cash & Counseling program offers that control. It has been shown to improve quality of life as well as access to personal care services in Arkansas, Florida, and New Jersey. We’re excited that the new Iowa Cash and Counseling program will enable participants to stay as independent as possible for as long as possible, and we are very confident that it will be just as successful here as it has been in those states.”

Iowa's program will be called “Developing Choices – Empowering Iowans,” and will provide services to older Iowans and persons with physical disabilities. The project will create a viable infrastructure of services and supports that older Iowans and individuals with disabilities want by amending six Home and Community Based Services waivers currently operating in Iowa. The amendment of the waivers must be approved by the federal Centers for Medicare and Medicaid (CMS) to allow the project to move forward as well as the availability of dollars in the Iowa Medicaid budget.

Traditionally, state Medicaid programs have contracted with home care agencies to provide personal care services to the elderly and younger people with disabilities. Although those who are eligible for services may be able to choose among available agencies, frequently their decision-making power ends there. They often have little say in who provides the services or even when or how they are provided.

An independent evaluation of the original three-state Cash & Counseling program by Mathematica Policy Research Inc. found that, in all three participating states, when Medicaid beneficiaries of various ages and disabilities were given the opportunity to direct their own supportive services and hire their own caregivers, their quality of life improved, satisfaction with services increased, unmet needs for care were reduced, and access to home care increased — without compromising beneficiaries' health or safety (relative to randomly assigned control groups that received services from agencies).

And while impacts on the use and costs of Medicaid services are not yet available for all three Cash & Counseling programs, results from one (whose evaluation was completed earlier than the others) show that by the second year of enrollment, the consumer-directed option cost no more than agency care, due to lower spending for nursing home and other Medicaid services.

Cash & Counseling originally was launched in 1995 to give Medicaid beneficiaries choice and control over their personal care needs. It provides a self-directed, individualized budget to recipients of Medicaid personal care services. Participants use the money to hire their own caregivers or purchase items — such as chair lifts or touch lamps — that help them live independently. Each person's budget is comparable to the value of services that he or she would have received from an agency. Consulting and bookkeeping services are available to help participants weigh their options and keep up with required paperwork. The program is entirely voluntary. If a participant wants to continue receiving personal care services through a Medicaid-contracted agency, that option remains available to them.

“Providing more choice and control to people who are capable of managing these very personal daily activities makes a tremendous difference in improving their quality of life,” said Kevin Mahoney, PhD, director of the national office of the Cash & Counseling program and a professor of social work at Boston College. “With 11 new states launching programs, we hope we're that much closer to the day when every state will make this voluntary option available to Medicaid beneficiaries who have disabilities.”

Under the new Cash & Counseling program, 11 states received approximately \$250,000 to replicate the program.

The 11 new Cash & Counseling State Programs are:

Alabama Department of Senior Services, \$250,000
Iowa Department of Human Services, \$250,000
Kentucky Department for Medicaid Services, \$250,000
Michigan Department of Community Health, \$250,000
Minnesota Department of Human Services, \$350,000
New Mexico Aging and Long Term Service Department, \$349,153
Pennsylvania Governor's Office of Health Care Reform, \$250,000
Rhode Island Department of Human Services, \$250,000
Vermont Department of Aging and Independent Living, \$249,416
Washington Department of Social and Health Services, \$250,000
West Virginia Bureau of Senior Services, \$250,000

As with the three original demonstration programs, the new round of Cash & Counseling states will need to secure 1915(c) or 1115 waivers from the Centers for Medicare and Medicaid Services (CMS) in order to implement a participant-directed individual budget model for Medicaid.

Eileen Creager, Long-Term Bureau Chief, Department of Human Services, will direct the Iowa Cash & Counseling program.

The national Cash & Counseling program is funded by The Robert Wood Johnson Foundation and the Office of the Assistant Secretary for Planning and Evaluation and the Administration on Aging within the U.S. Department of Health and Human Services. The Boston College Graduate School of Social Work will serve as the National Program Office for the new program. In addition, the Centers for Medicaid and Medicare Services will provide technical assistance and oversight related to the states' demonstration waivers.

The Robert Wood Johnson Foundation, based in Princeton, N.J., is the nation's largest philanthropy devoted exclusively to health and health care. It concentrates its grantmaking in four goal areas: to assure that all Americans have access to quality health care at reasonable cost; to improve the quality of care and support for people with chronic health conditions; to promote healthy communities and lifestyles; and to reduce the personal, social and economic harm caused by substance abuse - tobacco, alcohol and illicit drugs.

More information on Iowa's Cash & Counseling program is available by contacting Eileen Creager or Deborah Johnson at ecreager@dhs.state.ia.us or djohnson@dhs.state.ia.us. Information on the national Cash & Counseling program is available online at www.cashandcounseling.org or through RWJF's Website at www.rwjf.org.

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