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**FOUNDATION AIMS AT TAKING CONSUMER-DIRECTED
SERVICE MODEL FOR MEDICAID TO NATIONAL LEVEL**

*Second Round of Cash & Counseling Grants Will Replicate, Expand Successful Program for
Elderly Medicaid Beneficiaries and Those with Disabilities*

Princeton, N.J. (January 7, 2004) – When Medicaid beneficiaries of various ages and disabilities have the option to direct their own supportive services, their quality of life is improved, satisfaction with services is increased, unmet needs for care are reduced, access to home care is increased, and nursing home usage is reduced – without compromising the beneficiaries’ health or safety. Further, the option costs Medicaid no more than traditional agency services. The Robert Wood Johnson Foundation (RWJF) announced today that the model *Cash & Counseling* program that achieved these results will be expanded with a new \$7 million authorization approved by the Foundation.

Under the new program, as many as 10 states will receive up to \$250,000 each over three years to replicate the consumer-directed model that was tested in the *Cash & Counseling Demonstration and Evaluation Program*. Three of these states may receive up to \$100,000 each in additional funds to expand the model.

“The *Cash & Counseling* model – in which consumers with disabilities decide for themselves how their personal assistance needs will be met – is an idea whose time has come,” said Kevin Mahoney, PhD, director of the *Cash & Counseling* program and professor of social work at Boston College. “The demonstration program showed that this idea works. Now we want to take it to a national level.”

The Boston College of Graduate School of Social Work will serve as the National Program Office (NPO) for the new program. In launching this effort, RWJF is joined by two funding partners: the Office of the Assistant Secretary for Planning and Evaluation (ASPE) and the Administration on Aging (AOA) within the U.S. Department of Health and Human Services. ASPE was also a partner in the original *Cash & Counseling* demonstration project. In addition, the Centers for Medicare & Medicaid Services will help provide oversight and technical assistance to states.

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Traditionally, state Medicaid programs have contracted with home care agencies to provide personal assistance services – such as bathing, dressing, grooming, preparing meals, and housekeeping – to the elderly and younger persons 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.

In 1995, RWJF and ASPE launched *Cash & Counseling*, a demonstration program in three states – Arkansas, Florida, and New Jersey – to stimulate and strengthen consumer direction and choice in long-term care. The *Cash & Counseling* program provides self-directed, individualized budget to recipients of Medicaid personal care services or home and community-based services. Each person’s allocation is comparable to the value of services that he or she would have been received through a traditional agency.

Program participants use the allocation to purchase their own care – with the option of hiring friends, family members, or others – instead of receiving it from an agency. They can also use their budgets to modify their homes or vehicles or to purchase a range of items – from chair lifts to touch lamps – that will help them live independently. Consulting and bookkeeping services are available to help participants weigh their options and keep up with required paperwork.

An evaluation showed that, in Arkansas, the first state to implement *Cash & Counseling*, Medicaid beneficiaries who had the opportunity to direct their personal assistance services received better care than a control group. They reported higher satisfaction, better quality of life, fewer unmet care needs, better access to home care services, and less nursing home usage – all without compromising health or safety or significantly increasing costs to Medicaid. In addition, no major instances of fraud or abuse were found. That evaluation was published online in two parts by the journal *Health Affairs*. The first part is available online at <http://content.healthaffairs.org/cgi/content/abstract/hlthaff.w3.162v1> and the second at <http://content.healthaffairs.org/cgi/content/abstract/hlthaff.w3.566>

“Providing more choice and control in managing these fundamental services makes a tremendous difference in improving the quality of life for consumers,” said James R. Knickman, PhD, RWJF vice president of research and evaluation. “We envision a day when every state will permit – and maybe even promote – this model as an option for Medicaid beneficiaries who have disabilities.”

Unlike the prior demonstration, the new round of *Cash & Counseling* will not include control groups. Grantee states will need to secure a section 1915c or an 1115 waiver in order to implement a participant-directed individual budget model for Medicaid.

For more information about the program, including details on how to apply, visit the *Cash & Counseling* web site at www.cashandcounseling.org or the RWJF web site at www.rwjf.org.