

FOR IMMEDIATE RELEASE

March 31, 2006

CONTACT: CMS Public Affairs

(202) 690-6145

STATES TO HAVE NEW OPTIONS FOR MEDICAID PROGRAMS

DRA Allows States to Expand Coverage, Modernize Medicaid

HHS Secretary Mike Leavitt today outlined new flexibilities available to states that will help people served by Medicaid programs maintain access to affordable health care, and allow states to use innovative approaches to providing health insurance and long-term care services.

“Passage of the Deficit Reduction Act (DRA) will provide great opportunities for states to cover more people at a lower cost, and with greater continuity of coverage,” said Secretary Leavitt. “It will allow states to connect their healthy populations to the larger health insurance system and transform their long-term care programs to a person-centered, consumer-controlled model, that will allow beneficiaries to have more choices about how and where they receive care.”

The DRA gives states greater control over both the design and the administration of their Medicaid programs. Prior to DRA, states wishing to implement new delivery systems or experiment with benefits, such as home and community based care, had to seek federal approval for a “waiver” of Medicaid rules. DRA removes that requirement for many such changes and allows states to add new designs as part of their basic “state plan” or blueprint for their programs.

Over the next few weeks and months, the Centers for Medicare and Medicaid (CMS) will work closely with states to implement the new law. DRA grants states such options as creating new benefit packages tailored to different populations, improving access to mainstream health insurance coverage and expanding ways to provide long-term care.

“We intend to work closely with states to enhance access to mainstream coverage, including employer-provided coverage for working families and care management programs to provide better support for people with chronic diseases,” said CMS Administrator Mark B. McClellan, M.D., Ph.D. “We intend to work closely with states and people with a disability to use the unprecedented opportunities created by the new law to give people control over how they get their long-term care services. Now is the time to update long-term care services in Medicaid.”

As part of the initial guidance, CMS will issue two “Roadmaps to Medicaid Reform.” The papers will outline options for states to tailor their benefit packages to select populations and explains ways states can support individuals with disabilities and long-term care needs.

-More-

The paper on coverage options will outline how states can:

- Expand access to affordable mainstream coverage;
- Promote personal responsibility for health and accessing health care; and
- Improve quality and coordination of care.

The long-term care roadmap will guide states as they:

- Expand coverage for individuals with disabilities, by moving to beneficiary control of decisions about long-term care services;
- Increase access to community supports; and
- Promote community-based care, independence, and choice.

The Roadmaps are the first steps in helping states implement changes to bring the Medicaid program up to date. More 55 million Americans—mostly low-income children, the elderly and the disabled—receive their health care benefits from Medicaid.

###