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Consumer Direction
Audio Conference Transcript

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Roger Auerbach

Auerbach Consulting, Inc.

September 24, 2002

Consumer Direction Audio Conference Audio Transcript

Chris: Good afternoon, ladies and gentlemen, and thank you for standing by. Welcome to the Rutgers Center for State Health Policy conference call. At this time all participants are in a listen-only mode. Following the formal presentation, instructions will be given for the question and answer session. If anyone needs assistance at any time during the conference, please press the “*” followed by the “0” for operator assistance. As a reminder, this conference is being recorded today, September 24, 2002. I would now like to turn the conference over to Roger Auerbach. Please go ahead, Sir.

Roger Auerbach: Thanks so much, Chris. Good afternoon everyone and good morning to my friends in Alaska. Welcome to this audio conference on the Cash and Counseling Program and Medicaid Independence Plus Waivers. My name is Roger Auerbach and I work with the Community Living Exchange Collaborative at the Rutgers Center for State Health Policy. I will be your moderator for this afternoon’s call.

This audio conference is funded by a grant from the Centers for Medicare and Medicaid Services and has been organized by the Rutgers Center for State Health Policy in collaboration with the ILRU, our technical assistance exchange partner.

A number of CMS grantees are working on consumer-directed initiatives as part of their Community Living Grant activities. This audio conference was organized specifically to meet the needs of grantees who expressed great interest in finding out more about both the Cash and Counseling demonstrations and the Independence Plus Waivers. We hope you will let us know if you need more information on other topics in the area of consumer direction.

We will begin our conference today with presentations by two nationally-known experts on Cash and Counseling. After they have completed their presentations, we encourage you to ask questions. Our conference operator, Chris, will let you know how to dial in to ask a question. Now let us begin.

It is my distinct pleasure today to introduce Kevin Mahoney, national program director for the Cash and Counseling Demonstration and Evaluation, a program funded by both the Robert Wood Johnson Foundation and the Office of the Assistant Secretary for Planning and Evaluation at the U.S. Department of Health and Human Services. Dr. Mahoney is an associate professor at the Boston College Graduate School of Social Work and has held academic appointments at Yale, the University of Connecticut, the University of California San Francisco, and the University of Maryland before coming to Boston College. He has also held a number of policy and administrative positions in both Connecticut and California state governments.

Welcome Kevin and let me start off by asking you a little bit about the history of Cash and Counseling Demonstrations. How did Cash and Counseling get its beginning?

Kevin Mahoney: That is a good question, Roger. I think there are many sources. I think we learned an incredible amount from countries like The Netherlands and Germany. I think there were numbers of small, consumer-directed programs in the states, but I don't want to underestimate the importance of the disability community who I think, for some years, have been saying if we had more control over our services, our lives could be a lot better and we think we could do it for the same amount of money or less. In truth, the Cash and Counseling Demonstration and Evaluation was a policy-driven test of that idea.

Roger Auerbach: It was the mid-90's, wasn't it, Kevin?

Kevin Mahoney: In the mid-90's the Robert Wood Johnson Foundation and ASPE, the office of the Assistant Secretary for Planning and Evaluation made the plunge and decided to fund a multi-state social experiment with random assignment that would really test this idea. In fact, I was really recalling I think it was right around New Year's of 1996 that we sent out invitations to every state Medicaid, Aging, Developmental Disabilities and Voc Rehab agency and I think we had some 42 states that asked questions or expressed some interest. I think we had 17 states actually apply and the rest is history. The states of Arkansas, New Jersey, and Florida were the ones to really go forward and test this.

Roger Auerbach: You bet. Let me ask you a question, Kevin. What were you trying to demonstrate in these Cash and Counseling programs? They were demonstration projects that required 1115 Waivers from then HCFA?

Kevin Mahoney: Right. Again, I will start with really the contentions of the disability community, where people were saying if I had more control over my life, over my services, my life would be a lot better. I think I could do it for the same or less amount of money. So in truth, this is sort of a simple version. In each of these states, people entered the home and community-based service delivery system much as they do today. They get much the same individualized assessment and care plan and then a dollar value gets assigned to that care plan and people are hopefully given the information they need to make a choice that is best for them, an individualized choice. Do I want to stay and do I want to receive my services in the traditional mode from agencies or would I like to manage the cash allowance myself with the help of counseling and bookkeeping services? Then, I know I am getting ahead of myself. Then those people that are really interested in this and come forward, they are randomly assigned. Half of them receive the cash allowance and the counseling services. Half of them remain in the traditional agency mode. Then what is the demonstration after? First and foremost, it is after what is the effects of the impacts on the individual? How did it affect their satisfaction, their health, and their health outcomes? How did it affect the types and amounts of personal assistance services they received? How did it affect cost? Was it indeed more cost effective?

But there is a whole other part of the evaluation that looks at impacts on the informal caregivers, on the family. There is a part that looks at the effects on the paid worker. There is a whole process evaluation that tries to capture what happens so that other states could replicate it and there is a wonderful qualitative part of the evaluation that follows 25 individuals up close and personal in each of the states and follows them, their caregiver, their paid worker, and tries to capture the personal story of what happened with these people.

Roger Auerbach: Kevin, you had three demonstration states who were operating programs. Was there a requirement that they operate their programs in the same way?

Kevin Mahoney: Every state, we will get into this I am sure today, every state's social service delivery system is so different. I think whereas we needed and wanted each state to implement the same basic model, which is one as I said before, you take people who enter the system just as they do today, you take the care plan they would have gotten today in that state, you assign a cash value to it and give the person the choice. What you end up finding after that, though, is there are important variations in the states and how they did the outreach? How did they design the counseling help? Every one of them had fiscal intermediary bookkeeping, tax-paying services, but how did they implement it?

Then, you get differences like Arkansas and New Jersey offered a cash option to the Medicaid Personal Care Plan, the optional benefit under Medicaid whereas Florida offered a cash alternative to three different 1915(C) home and community-based service waivers. That was a big difference. Each of our states offered this to both elderly individuals and younger adults with disabilities. Florida had a good third of all their recipients that were children with developmental disabilities so that is another key difference.

Roger Auerbach: That's right. You were starting to talk before, Kevin, about some of the evaluation. Are there preliminary results? I know conference participants had a chance to take a look at the Website, which had a lot of information about Cash and Counseling, but are there any results that you can share? Impact on the individual? Impact on the family, the caregiver? Any of those cost items that you were talking about before?

Kevin Mahoney: Sure. First of all I appreciate the chance of getting the Website out to people so they could watch this and follow the story as it unfolds. Our preliminary results, I will give a three-part answer. Our preliminary results were wonderful and not unexpected. Arkansas was the first state to implement this. I think they got started in December of '98 but now all the data is in from Arkansas. That is why I will more often use them for quick examples. The other states are quite similar. You find quickly things like 92% of the people would recommend this to someone else. I think something like

68% of the people said their lives were much better off. 82% said they were better off altogether. Nobody said they were worse off.

You get results like in no major fraud and abuse in three and a half years. But now we are to the point where we are getting the results from the controlled experiment, which has a strong research design with over 6,500 people enrolled in this demonstration across the three states, half of them getting cash, half not.

Here are the very first results from the controlled experiment. This is the one on Quality on Health Impacts. I just would read a couple sentences from Mathematica Policy Research, which is the outside evaluator, doing this. To quote from the Executive Summary, “Compared to the agency-directed system, Independent Choices, this is the Arkansas model, markedly increased the proportions of consumers who were very satisfied with their care and thinned the ranks of the dissatisfied. Specifically Independent Choices consumers were more satisfied with the timing and reliability of their care, less likely to feel neglected or rudely treated by paid caregivers and more satisfied with how paid caregivers performed their tasks. The program also reduced some unmet needs and greatly enhanced quality of life. Moreover, it produced those improvements without compromising consumer health, functioning or self-care. Both elderly and non-elderly adults fared better under Independent Choices than they did with agencies.” That is our first results from Mathematica Policy Research and we are hoping, if you ask me the next question I will tell you the timing of when these reports will come out. *(Laughs)*

Roger Auerbach: OK.

Kevin Mahoney: Basically, in order to get them out to people as quickly as we can, to sort of encourage, to make them more useful, we have divided the reports into seven topic areas. The first are Quality and PAS Impacts.

Roger Auerbach: PAS is Personal Assistant Services.

Kevin Mahoney: Personal Assistant Services, I apologize. The next ones will be effects on the informal caregivers and the paid caregivers and implementation issues. Then the last two deal with costs, although I will come back to that and tell you preliminary stuff again if you are interested and program participation flow. So we are hoping to have all the drafts of the Arkansas Reports into us by next April. Coming in slow, but sure. We want to publish the first of these in November, but the last of them may come out next summer.

Then we will do a whole next round on children's issues using the Florida Developmental Disabilities population because we know children are an issue for many states. It will probably be into 2004 before we have, in fact, maybe even the end of 2004, before we have the three-state comparative examples.

Roger Auerbach: I think that people on the phone wouldn't be surprised by the level of satisfaction and I think some of the results on quality...

Kevin Mahoney: Including health impacts. Some might have been surprised at those.

Roger Auerbach: I think that is something that obviously legislators and governors are always very interested in too. When you get to talk about budget, I don't think there is any state on the phone that would actually say that they have a lot of money right now to move into a program that is going to cost a state more money. So I understand generally the cost to the consumer or for caring for consumers would probably be similar since you are substituting the cash value of a certain benefit. But, what about the infrastructure? Is it going to take a state a big investment to be able to create the infrastructure needed to have a program such as this?

Kevin Mahoney: Oh, gosh, there is a bunch of questions involved together. The simplest answer is, and this is one I am sure we will get lots of probing questions that will be fun, but the simplest answer is, I will use this as an example although Suzanne will know the ins and outs much better than I do. Let's imagine in Arkansas that they spent \$12 and something for an hour of personal care. But let's say only \$7, maybe \$8 went to the personal care worker and that the difference went towards counseling and administration. That is basically the money that is available for handling the counseling/fiscal intermediary-type services. That is the simplest answer.

Go to more a mega-level, there is a whole part of the evaluation that Mathematica is doing that will give based on the controlled experiment, the random assignment, rather detailed information on cost impacts. But remember, every one of these states that did this so far was performing under a Medicaid 1115 Waiver, which required budget neutrality. All I can say is the early results using Arkansas state data, which thank God was very good data, was showing that this was breaking even, budget-neutral, even though a lot of people in the control group weren't getting any services because of the worker shortage, early results showed the control group was also making a lot higher expenditures for nursing home and institutional care, hospital care.

Roger Auerbach: That's great. I even understood that so that must have been a pretty easy explanation, Kevin.

Kevin Mahoney: As soon as these reports are available, one by one we will put them up on that website that everyone has access to. The other piece to your answer I want to hold off on, because to the extent some states may need seed money, we may have some good news for them.

Roger Auerbach: Well, we like that. I want to turn to Bill Ditto now who is from the State of New Jersey. But I do want to tell conference participants that Kevin Mahoney is going to make a major announcement about a new development in the evolution of the Cash and Counseling Demonstration Program. So although others will be notified about

this information at a later date, people on the phone call will be the first ones to hear about this new initiative so as they say in the business, stay tuned.

Now it gives me great pleasure to introduce Bill Ditto. Bill Ditto is the Director of the New Jersey Division of Disability Services, a post he has held since the agency was created in 1997. The division, which serves as the single point of entry for persons with disabilities also administers the Medicaid Personal Assistance Services Program, six home and community-based service waiver programs serving people with disabilities and five major grants. Bill has over 30 years of experience in disability and aging services and joined the staff of the Department of Human Services in 1985. Bill also serves as the project director for Personal Preference, which is the New Jersey Cash and Counseling Demonstration Program. Bill did his undergraduate work at Monmouth College and holds an M.S.W. degree from Rutgers University, where he has also served as an adjunct faculty member for the last twenty years, although he is very young.

Bill, let me start off by asking you, New Jersey is a tough state. How did you convince state officials to endorse a Cash and Counseling Program and allow you to participate in this demonstration?

Bill Ditto: Well, actually, surprisingly enough, we had some very good support in New Jersey around a couple of major themes that caused policymakers and officials in state government to feel that joining this experiment would be a good idea for New Jersey. I will just run over them very quickly. One of them was demographics. We are

very aware of the fact that our aging population is growing very rapidly in New Jersey and when we take a look at the demographics we find that after the baby boom generation there is actually a decline in the birth rate, which means that the ability to continue a formal one-to-one care system using an agency-based model was likely not going to be very successful into the future. So, we were concerned about that. We also have been faced with considerable worker shortages, like most states have been, and so there has been a traditional and ongoing concern that we really wouldn't be able to deliver on the promise of home and community-based care for folks unless we found some different strategies for moving forward.

While our home care agencies in New Jersey do a very good job and I have very high and positive regard for them, it is also very clear from the calls that we receive from consumers that many people are dissatisfied with an agency model of services.

Oftentimes the agencies aren't able to provide workers at the time that an individual needs them. The match between worker and consumer may not be a good one. The typical homemaker/home health aide in New Jersey is a middle-aged woman and many of our recipients just find it difficult to find someone with whom there is a good personality fit.

There is also the problem of people needing service early in the morning in order to get up and get to school or get to a day program, and not wanting to be going to bed at seven o'clock at night, wanting to be able to stay up and participate. So, the inflexibility of agency services created a problem.

Third, a strong theme throughout New Jersey government and, I expect nationwide, is this idea of people having more personal responsibility. Certainly, if we look at the Welfare to Work Programs and that sort of thing we see this basic element in there of increasing personal responsibility for the individual. We saw this as an excellent opportunity to increase personal responsibility. Frankly, many of the people in our demonstration have been amazed by the amount of money that the state has paid for their personal care and have taken a very active role in trying to use that money more efficiently.

That leads me to my fourth big point; that is the whole notion of prudent purchasing. It is quite clear from our experience with Cash and Counseling, and we were pretty sure going into it that it was the case, that individuals know what they need and also can be very effective in terms of making use of that cash. We see that they demonstrate prudent purchasing in terms of the kinds of choices they make with the use of their grant. One size does not fit all and this program allows people to figure out methods for using that cash grant that really enhance the quality of their lives.

Roger Auerbach: Bill, were executive branch people, governor's office, legislators concerned about quality or were they concerned about cost over-runs? What kind of promises were made and what has been some of the results as the program has been implemented?

Bill Ditto: Well, obviously the very first thing that comes to mind when you use a term like “Cash and Counseling” is fraud. In fact, I would say every early presentation I made on this program anywhere, the first question coming out of audience members, no matter who they were, was what about fraud? What about abuse? Aren’t people going to take this money and run to Atlantic City and gamble or go out and buy liquor or whatever? So there was a big concern about that.

The cost overrun part I think we had pretty much under control, in the sense that we knew we were going to be working under an 1115 Research and Demonstration Waiver which would require cost neutrality. So we said, obviously, we have to set this program up in a way that it will meet that test of cost neutrality. We need to work within the existing Medicaid appropriations. We can use the foundation support to add the extra things we need to do to run a research and demonstration program, but we want to make sure that we are staying within our existing Medicaid state budget for the provision of the services so that the program can be replicated in the future.

The quality of care issue is something that comes up time and time again. It is a question I think that any state would face in terms of beginning a program like this. The question for me, to be quite blunt about it is, really, is there anything in the formal care, the agency-directed system that really necessarily assures us of quality? I, for one, do not think that is the case. I think the relationship between the worker and the consumer is the crucial element in personal care services and it is my belief that people, in essence, receive the kinds of services they need in a way that makes sense to them and preserves

their dignity when they receive those services from people that they know, feel comfortable with and have control over.

Roger Auerbach: Bill, are there any preliminary results like those that Kevin talked about before? Are you hearing the same types of things from consumers in New Jersey?

Bill Ditto: No different. No substantial difference at all. I would be very surprised if our results in New Jersey differ very much from that of Arkansas. Informally, the early results, we had a review done of 230 participants at an early point in the program. We had those same 90% reactions to “was the program meeting their needs?” Did they feel comfortable with the care they were getting? Would they recommend the program to another person? All of this was reflected in the same way. That is not to say that consumers don’t have issues with the program. They do. There are things that they would like us to do differently. There are responsibilities that they have that they did not have under an agency-directed model that they find troublesome. Getting those worker timesheets in on time so that the workers get checks. It has been a continuing struggle.

Roger Auerbach: Bill, let me ask you, as a person who was implementing at the beginning of this program, what do you think were the biggest challenges that you had in implementing Cash and Counseling?

Bill Ditto: Well, some of the biggest challenges were dealing with the home care industry in the state itself. We have about 170 Medicaid Personal Care Assistant

Provider Agencies just to give your audience a flavor. We serve about 17,000 people a month under our Medicaid Personal Care Service. We are spending a little over \$256 million, so we are talking about a fairly substantial program. Home care provider agencies were very convinced, in the beginning, that we were going to be putting people out of business and that we were just going to be taking away the market share from them and there was a lot of resistance and a lot of concern. They tended to communicate this through their staff, so that the homemaker home health aides were being told, "Look, if people enroll in this demonstration you are probably going to lose your job." So there was a lot of fear out there. There was a lot of apprehension and there were certainly attempts to sabotage the program early on. We of course, thought that this would happen and so we were prepared to deal with it. Nevertheless, it was a significant challenge.

Marketing the program proved to be more of a challenge than one might imagine. We found that our best customers, in fact, were younger disabled people imbued in the independent living philosophy who really wanted to do this, as Kevin said earlier, and who really saw this as the right thing to do in the way of personal care.

On the elderly side, initially the elderly population was very, very resistant to this concept. Don't change things, leave things the way they are, don't rock the boat. The girl comes every day. Why should I make a change? There was a lot of resistance.

What we found our second major target audience to be was, the caregivers of elderly people. The son, the daughter, the niece, the nephew who has to take a day off from

work when the aide didn't show up. Who worries all the time, who is in the house and knows what kind of care they are delivering. They became very big customers of the program as well, seeing that they could make better use of this money and that they could, in many respects, meet a lot of unmet need for the person that they were concerned about. So that was an interesting, the challenge was there in the marketing, but actually we had an interesting result.

I am here to tell you this program is not for everybody. The regular agency-directed nurse-supervised services can be very, very important. Especially for isolated, frail, elderly people. So I am always very candid in saying this is a great option. I would not be comfortable with having only a Cash and Counseling model available in the state of New Jersey.

Roger Auerbach: Bill, you talked about marketing. How did you make consumers aware of this option?

Bill Ditto: Well, we went to great lengths in terms of sending out material. We faced a lot of challenge in New Jersey. This will be something that some other states will be able to understand quickly and for some states it may not be an issue at all. But we have a tremendously diverse population culturally and linguistically and, as a consequence of that, we have been faced with a challenge of trying to outreach to a lot of people who do not speak English, many of whom do not read even their own language. So we are

talking about people who could communicate in another language, but couldn't necessarily read if we produced printed text.

We are also dealing with a population of Medicaid beneficiaries in the state who, for the most part, are very low income, disenfranchised, and really have not had the opportunity to have this kind of control. It was a challenge to reach that population and get information out there. We used mailings, we used presentations, and we had an inspirational videotape on the program. We tried to make our material available in other languages and in alternate format.

Basically, the best sales people for our whole program have been people who are already in it and have already had the experience. Once they get in, see what it is like, get some feeling for the program and how it can work for them, they are then very busy recruiting other people that they know and suggesting to them that they consider the option.

Roger Auerbach: Not surprised. Bill, let me ask you, oftentimes when I have in my past career done field work and talked with consumers about consumer direction, I have gotten lots of requests for training programs for consumers in the direction of their services. The "how do I talk to somebody who I have hired?" How do I get them to perform the personal care in the way that is the most effective for me? How do those timesheets work? How do I get them in? I don't want any more complications in my life. Is it really worth it to go through the bureaucracy to get this control?

Bill Ditto: You have raised a very good point here and you have also identified for me what is one of the most substantial weaknesses in the entire undertaking, and that is, the lack of consumer training in serving in an employer role. Really none of us, unless we have run businesses, have the experience of doing this and many people with developmental disabilities will have never had very much experience in controlling their environments because other people have been doing that over a long period of time. For people with adult-onset disabilities, the situation may be the same. They may never have been an employer. They may never have had this kind of responsibility: hiring, firing, evaluating work, knowing how to approach people, knowing how to get the best performance out of people.

So, one of the things we have identified in New Jersey as a very important future effort is to really begin offering significant consumer training. In fact, we have actually had some discussion about perhaps having people take a sort of training program prior to actually starting in a cash option so that they really have an understanding of what those responsibilities are.

The other thing that we were able to do that has helped us immeasurably is that the counselors, that other component of Cash and Counseling, have been available to serve as coaches and consultants for folks that are enrolled in the program, helping them through this process of understanding about the timesheets and how to go about firing someone, how to go about evaluating their work. So, part of our consultant training program, our

counselor training program, focused in on this notion that you are going to have to be there to assist the consumer in understanding how to make this work.

We also, of course, permit representatives in the program. Any individual with a cognitive disability, or let's say an elderly person who is simply timid and doesn't feel that they can take on this responsibility, can nominate an individual to serve as their representative and we like to think of that as sort of a team between the participant and the representative whether it is a family member or a friend or whatever that can work together in terms of the management of the cash grant and making the best possible use of it. So, I think training is very important.

As far as worker training goes, as part of the cash grant, we will allow the participant to build in a training program. If they want to hire somebody that doesn't know how to help them with a bed bath or doesn't know how to help them transfer from bed to a wheelchair, they can send that person to training and actually pay for training for them.

Roger Auerbach: That's great. One of the other things that comes to mind, if a state were thinking about starting a consumer-directed personal care program, what advice would you give them? What do you think are the major benefits that you have seen thus far with Cash and Counseling?

Bill Ditto: Well, let me tell you. One of the most amazing things for me, something I never thought of, and having a long history in human services and being a social

worker, I would have thought that this would have sprung right into my mind early on but it never did. People are much more connected to their community as a result of Cash and Counseling because they hire people who are within their immediate environs in most places. In New Jersey, for instance, upwards of 90% of the people that our participants hire are family members, friends and neighbors. So, they are obviously drawing on a labor pool of people that wouldn't necessarily ever go to work for an agency, but are willing to work for the individual because they know them and they have a relationship with them. This has caused people to be much more involved with their immediate community.

In the traditional Medicaid model, we send a stranger out from an agency into a recipient's home to work for a certain number of hours and leave. The individual doesn't necessarily have any contact with the community. In this model, because people are buying equipment, devices, hiring people from the neighborhood, they are actually making a much stronger connection with the environment that they live in and they are actually strengthening their community support without having to rely on the kindness of strangers, so to speak. By asking someone to do them a favor, they are in a position to actually sort of pay their own way using the cash grant. It has been very gratifying to see that people are building community supports through the use of the demonstration. I think that is certainly for me one of the major benefits.

The other one is frankly the reports that we get anecdotally from our participants about their quality of life. People are saying that this is the best of all possible worlds for them.

They are getting the things done that they wanted to get done. Their own values and preferences are being respected. If there are certain types of foods that they like, they now have somebody who is there to make that kind of food for them. They are not having to rely on sort of a standard diet that was set out by the agency as acceptable. They are able to actually live life the way they want to live life and they are also very, very judicious about the use of their services.

In the last several months, we have started a recoupment process in which we have been taking back unspent, unused money. It has been very surprising to me the number of people who underspend their cash grant because they are prudent purchasers. They know how to manage the money and buy what it is that they really need. So it really, to me, has a very significant implication for states around the delivery of home and community-based personal care support into the next century.

Roger Auerbach: The number that you mentioned, 90%, I wouldn't have thought it would have been so high, but it has got to have a dramatic, positive impact on the worker shortage that you were talking about before New Jersey started the program.

Bill Ditto: One of the things that I was able to help the homecare agencies see when they were so angry with me was that first of all, I am letting them use their precious workforce resources to serve the people where there is no other option, so they are getting to make the best use of their personnel and second of all, I am, for the most part, taking those individuals that were not happy customers to begin with. We, at one point in an

effort to get our enrollment numbers up high for the demonstration, wrote a letter to all the personal care provider agencies and basically said “send me your absolutely worst cases; the people that have burned out every aide that you ever had. The people that are abusive. The people that call you 25 times a day. The people that you wish that you didn’t have them on your caseload. Send those folks to us and let us go out and discuss the program with them and potentially enroll them.” So, it is meeting a need within the personal care system without destroying the existing system.

Roger Auerbach: Bill, one last thing. You talked, maybe Kevin did, about fiscal intermediary services. How have you built them in New Jersey? Are they a part of your program?

Bill Ditto: Yes. Fiscal intermediaries is probably the linchpin of our program and I will tell you that it is probably also a topic that the Center for State Health Policy might want to consider convening another call on simply because there is a lot to it. In a nutshell, we went out and bid for a fiscal intermediary service organization, FISO, as we call it for short. But what we explained to our participants basically is it is a business agent. What they do is we set them up as a Medicaid provider in our system. They bill the Medicaid system at the beginning of the month for the allowable grant for each individual and then they actually handle the disbursement. They receive the timesheets from the consumer, they do the paychecks, and they make sure all the deductions are made properly. Every person who participates in this program is set up as an individual employer and so the people who work for them are truly their employees. These are all

like little individual businesses if you will. As a result of that, the fiscal intermediary is very important because they are always on top of the expenditures. Each person in the program develops a cash management plan that shows how they will use the money and then the fiscal intermediary uses that cash management plan as a template for payouts. So if somebody tried to submit invoices or timesheets that didn't comport with the approved cash management plan, that would cause the fiscal intermediary to contact us right away.

Now, we offered consumers the opportunity to actually manage the cash directly themselves, to receive a check every month and the one thing we asked of them was that they take and successfully pass an employer skills examination so we could make sure that they understood what their responsibilities were as employers. Interestingly enough, despite encouragement from us, not a single person in New Jersey has opted to do that. They have all opted to use the fiscal intermediary service organization because it has been so easy for them and the only responsibility they have with regard to it is that they pay a .75 per check charge for all of the checks that are issued by the fiscal intermediary. So even people that were former business people said to us, "I would rather use that fiscal intermediary service. It makes a lot more sense to me."

Roger Auerbach: Pretty inexpensive, Bill.

Bill Ditto: No, remember that I am paying for part of it too because when we set the cash grant amount we reduce 10% off the top of what we would have paid for their

services to a regular provider agency and we use part of that 10% to help pay for the fiscal intermediary. That was all worked out to keep things so that we would be budget neutral.

People find that the fiscal intermediary service organization is helpful to them and from a state perspective, and this is very important for state administrators, it really is our major defense against fraud and abuse in terms of the cash benefit. The consumer had every bit of control. They set the wages, the level of wages, the benefits, the working conditions, they figure out what it is they want to buy in the way of supplies and equipment, they can change the plan every single month if they want to, but they do not have that responsibility for deducting money and sending in payments and FICA and FUTA and SUTA and all these different things. That really seems to make the program work well from their perspective and it allows me to rest easy at night.

Roger Auerbach: Well I am convinced. I am going to sign up.

Bill Ditto: OK.

Roger Auerbach: I want to thank both Bill and Kevin for their presentations and I want to now open up the phone lines for questions. So Chris, can you tell our participants how they can get into this discussion?

Chris: Yes, thank you, Sir. Ladies and gentlemen, at this time we will begin the question and answer session. If you have a question, please press the “*” followed by the “1” on your push button phone. If you would like to decline from the polling process, press “*” followed by the “2”. You will hear a three-tone prompt acknowledging your selection. Your questions will be polled in the order they are received. If you are using speaker equipment, you will need to lift the handset before pressing the numbers. One moment please for our first question.

Roger Auerbach: Thanks, Chris.

Chris: Our first question comes from the line of Audrey McKrimmon with Illinois. Please go ahead, Sir.

Roger Auerbach: Audrey?

Chris: Audrey may have stepped away for the moment.

Audrey McKrimmon: I am here. This is Audrey McKrimmon.

Roger Auerbach: OK, Audrey?

Audrey McKrimmon: Thank you very much for scheduling this session. It is very interesting for me both in our participation with the systems change grant and with the

large number of independent living centers in Illinois. One area that has often been spoken to in addition to the fiduciary kinds of issues relative to an independent or consumer-run program, has been the issue of workman's comp relative to when the individual is identified as the employer. I was wondering if there had been any differing experience with the issue of on-the-job injuries or the like and what if any impact that has had on program operations?

Roger Auerbach: Thanks Audrey. Great question. Bill, Kevin?

Kevin Mahoney: Bill, you might want to say what New Jersey does and then I will just talk about what ASPE, the assistant secretary's office, is funding this year.

Bill Ditto: OK, great. In New Jersey, we require every one who participates in the program, and has employees, to maintain worker's comp. We are very lucky in New Jersey that a number of years ago, having nothing to do with Cash and Counseling, a law was passed that enables you to add worker's compensation coverage to a homeowner or renter's policy for a very modest sum. So we allow our consumers, in their cash management plans, to either add on that rider to an existing policy or, if they don't have a homeowner's or renter's policy, they can obtain that policy with the rider and they can include the entire cost of the policy in their cash grant. We verify that they have that coverage. We insist upon verification of it.

Of course, after we got into the demonstration, we found out there were certain people living in circumstances in which it was impossible for them to get homeowner's or renter's insurance and we found out that there are actually individual worker's comp policies that are available for individual domestic household employers which is what our folks are classed as. These policies are relatively modest in cost. They range from about \$110 to \$130 a year. Once again, it is an allowable cost in the cash management plan. We also insist that the people that are the workers must be covered by our state temporary disability program whereby if they become injured off the job, and they have worked a certain number of hours and had a certain number of deductions, that they will get coverage for what we call, in New Jersey, non-occupational temporary disability benefits.

Kevin Mahoney: The only thing I would want to add, Audrey, is first of all in answer to your questions, we really haven't seen these cases. The major thing I could say is this is a concern to many states. ASPE, The Office of the Assistant Secretary for Planning and Evaluation is funding next year, through the Cash and Counseling Demonstration, two things. One with Sue Flanagan, who many of you may know, an outside consultant, is actually going to be pulling together workman's comp provisions and laws across the fifty states and the other territories and try to assemble best practices as examples. We are also on a separate effort working with and funding an effort by Charlie Sabatino at the American Bar Association to re-do the effort that he did with Semilitvak at the World Institute of Disabilities a few years ago to assemble any and all information on liability issues in general and again reflect on any and all instances that

we have had connected with Cash and Counseling, and provide practical guidance to states.

Roger Auerbach: Kevin, we heard about New Jersey, but was this an issue in either Florida or Arkansas, and Suzanne, please join in if you want to talk about Arkansas.

Kevin Mahoney: I put New Jersey forward because I think they have been the best at this one. That is really why we wanted to assemble information on best practices.

Roger Auerbach: OK.

Suzanne Crisp: In Arkansas it never became an issue. We had a law that allowed, if you have less than three workers, then worker's compensation did not apply. So most of our program participants were exempt from worker's compensation so it wasn't as big an issue. But fortunately, at least at this point, we haven't had any negative instances where workers comp. couldn't have been involved.

Roger Auerbach: Thanks, Suzanne. That was Suzanne Crisp who is going to talk with us about Independence Plus in just a few minutes, but she was also the person in charge of the Cash and Counseling Program in Arkansas, certainly in its formative years. Thanks so much, Suzanne.

Chris, do you have anybody else on the line?

Chris: Yes sir. Our next question comes from the line of Stuart Brazeman from Maine.

Please go ahead with your question.

Stuart Brazeman: Hi. Can you hear me?

Roger Auerbach: We can hear you fine Stuart, thank you.

Stuart Brazeman: Hi Roger. This is a question for Bill Ditto. Bill, you mentioned that, you said that many of your participants don't spend their full allotments and that New Jersey has rules for recouping unspent money. I know that under Cash and Counseling, the participants are permitted to save up money from month to month for larger purchases, say home improvements, modifications, installing a ramp. How many people fail to spend their full allotment and what are the rules and criteria for recoupment?

Bill Ditto: Good question. Actually, you are quite right. People can build into their cash management plan savings for items, devices, home modifications, and any number of things. Some people have savings put aside in their plans so they can give their regular worker vacation time and be able to hire somebody else in during that period while they are continuing the salary for the worker that is on vacation. So as long as somebody has a planned use for the money, that has been stated in the Cash Management Plan, then that is not recoupable money.

But at the end of each 12-month period, we take a look at the account for each individual, in tandem with the fiscal intermediary and we look at what is truly unexpended money. In other words, it is money that is not accounted for in the Cash Management Plan that remains as a balance in their account. That might have come about because the individual didn't use as many hours of service as they were planning on doing. They may have decided to buy a piece of equipment and subsequently gotten it for a lower price than they imagined. Almost everyone experiences some degree of missed hours of work on the part of their workers because of illness or family problems or maybe they have somebody who comes to visit them for a few days and helps them with their personal care so they don't end up using the worker. So, at the end of that 12-month period, we take a look at what is remaining that is not accounted for in the Cash Management Plan and, at that point, we are moving to recoup that money for the state.

As of the last time we did an assessment, it looks like about 30% of our participants had unspent money in their account.

Stuart Brazeman: If I could ask Kevin, are there similar rules in the other two states or do they differ in that respect?

Kevin Mahoney: This is up, until now, an example of the ways states have differed. It has not been an issue in the other two states to my knowledge.

Bill Ditto: The other thing that I might just chime in and add to is the dollar amount of the benefit varies considerably in the three states. New Jersey is, generally, by far the higher dollar amount state. Our average cash grant is about \$1,400 a month, which is considerably more than most of the cases in Florida and Arkansas, so I think that may also have something to do with it. People have more money to work with.

Kevin Mahoney: Again, just to anchor people, remember under Cash and Counseling people are getting what they would have gotten under the traditional program.

Roger Auerbach: Right. Thanks so much, Kevin, for that. Chris? More questions?

Chris: Yes sir. Our next question comes from the line of Joellen Malone from Minnesota. Please go ahead with your question.

Joellen Malone: Hi, can you all hear me?

Roger Auerbach: We can hear you fine.

Joellen Malone: OK. Great. My question is, it may have already been partially answered, but I am going to ask it again anyway. Are there materials available from any of the states of what they developed? For example, the training materials that you spoke of for the counselors, descriptions of how the fiscal intermediary aspect was set up, that

test that you used of the individual's ability to get their, to perform employer tasks and is that the kind of thing that you said that Sue Flanagan was going to be pulling together and, if so, when would that be available and how?

Kevin Malone: Let me give a more generic answer. Many of the materials that have been developed under the Cash and Counseling demonstration to date can be found on our website that came out with today's call, the www.inform.umd.edu/aging. I don't need to repeat that. Also on the HCBS.org Website that many of you are familiar with in connecting with the Real Choice Systems Change Grants. But, for example, the training guide for people who want to handle the fiscal intermediary duties on their own is an example of one that is up there already. Or an example of guidelines for a readiness review or monitoring fiscal intermediaries. Those are examples of things that are up there now.

But this gives me a chance to put in a plug for what you are going to hear later from Suzanne Crisp and from CMS because along with these, I don't want to steal her thunder, but along with the model waivers they are going to be, I believe, working on a technical guide that will assemble a lot of the best of these materials.

Roger Auerbach: Thanks Kevin. Bill, is there anything specifically that you have that is not up on those websites?

Bill Ditto: We certainly do have things and I would encourage anybody to be in contact with us if I can help you in any way. Some of our materials for various reasons may not be readily available. Some of the things having to do with the fiscal intermediary service are part of bids and we are going to be going through a re-bid process shortly so some of those things are not so readily released, but we would certainly try to help out in any way that we can. There is certainly no reason for anyone out there to reinvent the wheel. I am sure Suzanne would agree with me. Florida, New Jersey and Arkansas suffered through the throes and dilemmas of trying to figure out how to do this. It was one thing to apply to the foundation and it was great but when they announced that we were actually awarded it, but it became frightening because suddenly we had to make something kind of out of nothing in a way. As a result of that, I don't want anyone having to repeat all of those things over again. Certainly, be assured that we are available to assist states individually when things come up where a document or a process that we developed will be useful to them.

Roger Auerbach: Thanks so much, Bill. Thanks for the offer. Chris, got another question?

Chris: Sir, there are no further questions at this time. Please continue.

Roger Auerbach: Great, because I was getting nervous about our time because we have the opportunity to hear from Suzanne Crisp. It is my pleasure to introduce Suzanne right now who will talk with us about some new opportunities to implement consumer-

directed programs, the Independence Plus Waivers announced by the Centers for Medicare and Medicaid Services last spring. Suzanne is temporarily assigned to the CMS as director of special projects for community integration, which include the Independence Plus New Freedom Initiative. Prior to her work at CMS, she was project director for the Arkansas Secondary Conditions Grant, funded by the U.S. Centers for Disease Control, designed to measure the service satisfaction levels of persons participating in consumer-directed programs. Suzanne previously served as assistant director of the Arkansas Division of Aging and Adult Services with responsibilities for developing, implementing, and managing three 1915(C) Home and Community-based Services Waivers, the 1115 Cash and Counseling Waiver and Alzheimer's and Nursing Home Transition Grants, the Ombudsman Program, the Adult Protective Services Program and much more. Suzanne?

Suzanne Crisp: Thank you.

Roger Auerbach: Thanks so much for being here today. Let me begin by asking you: It seems like over the past six months to a year that both CMS and the Department of Health and Human Services have taken an increased interest in promoting consumer direction. Why has there been so much federal attention on this area?

Suzanne Crisp: Roger, let me answer that in just a second. One thing that I would like to do is introduce some people that are here with me today. In order to build capacity within CMS, specific to self-direction, Thomas Hamilton selected a Self-

Directed Task Force. I would like to introduce those members today. We have Liz Mack who represents the 1115 side. We have Deirdre Abbott who is the technical advisor for the 1915(C)s.

Roger Auerbach: We all know Deirdre.

Suzanne Crisp: Deirdre, yeah. Dear Deirdre. Then we have Marguerite Shriver, I'm sorry, Shirvish, and Deondra Mosley here with us today and they represent the task force. We also have a mystery guest. Ed Hutton who is Mr. Budget Neutrality, so if you have any questions about budget neutrality, now is your chance to pick on Ed.

Now, back to the question about the federal attention. Roger, certainly the success of Cash and Counseling coupled with the number of states asking CMS to assist them to create a Cash and Counseling-like design has had an enormous impact on the level of federal attention given to self promotion. But probably the single most influential event came with the unveiling of the President's New Freedom Initiative early last year. One of the major commitments offered by the President at that time included promoting full access to community life to persons with disabilities and the elderly. During a National Listening Session sponsored by HHS last year as part of the New Freedom Initiative, we repeatedly heard that individuals with disabilities and the elderly wanted more control, more choices and more independence in their lives. Clearly these principles are found in self-direction.

As a response to Secretary Thompson's commitment, CMS embarked on the Independence Plus Initiative, which created two template designs for states to develop self-directed programs: One for states wishing to submit applications or amendments to home and community-based service waivers; and one for states wishing to submit new demonstrations. CMS promised the secretary to do three things: One, to solidify the message to states, one that promotes self direction; two to offer a streamlined application form and we hope by the use of this streamlined application form, that the federal review process will be expedited; the third was to establish specific program design elements that we felt were necessary to create a viable self-directed program. Also, as part of the promise as Kevin mentioned a minute ago, is the development of the technical assistance guide to help states implement and manage a viable self-directed program.

Roger Auerbach: Now Suzanne, let me ask you a question. I know that states are doing a lot of work with their existing 1915(C) programs with making them more consumer directed than they currently are. What is the advantage to submitting an amendment to an existing 1915(C) Waiver or going the route of an 1115 Waiver?

Suzanne Crisp: Let's start by talking about waivers and we will do a little 101 on waivers. The authority found at 1915(C) of the Social Security Act allows states to waive or disregard some requirements found elsewhere in the law, for the sole purpose to create alternatives to institutions. Basically states may waive state wide rules, which means the ability to serve particular areas, comparability, which means the ability to create unique services not found elsewhere in the Medicaid state plan, and also to apply institutional

income and resources criteria to the home and community-based population. Services under waivers may be customized to specific target populations, and that includes persons with disabilities and the elderly, and may further be defined by age or diagnosis. Waivers cannot cost more than the cost of institutions. So if states basically wish to serve a population that would be otherwise institutionalized, the 1915 would be the way to go. Now states certainly can amend an existing waiver to include self-direction or if they want to create a new program they can submit a new application for the 1915(C).

Now there are three particular limits to the 1915(C) that I would like to bring to everybody's attention. One is that direct payments to individuals or family members may not be made. The second is legally responsible individuals may not be paid like Cash and Counseling does. Also, only waiver services may be considered under the self-directed model.

Under the authority of Section 1115 of the Social Security Act, states are allowed to create experimental pilots or demonstration projects. The authority under this act provides much greater flexibility than under the Home and Community-based Waiver statute. The Secretary allows for states to waive or disregard many requirements found in the state plan. Each of the participating Cash and Counseling states applied for and received 1115 demonstration waivers. Examples of things that states can do under the 1115 and self-direction would be mixing populations. For example Roger, if people wanted to have one waiver that included both physically disabled and the MRDD population, they could do so under the authority of 1115.

Also it allows cash to be given directly to program participants similar to the Cash and Counseling design. States may also elect to cover a population that does not meet the institutionalization requirement. In other words, states may wish to look at their personal care program under the state plan and consider self-direction.

Under the 1115, states may select to pay responsible relatives, spouses, parents or legal guardians. They are allowed to be paid service workers.

Finally, the authority under 1115 allows states to waive the provider agreement and direct payment to provider regulations found with state plan services and the 1915(C) program.

Roger Auerbach: Well Suzanne, obvious questions from people who have passed Waiver 101. 1115 Waivers have traditionally taken a lot longer time to get approved. Is there a signal here, by the promotion of these templates, that CMS is going to try to move the 1115 authority along for approvals a little quicker on Independence Plus?

Suzanne Crisp: Yes, certainly. As part of one of the promises CMS made to the Secretary is to try to expedite the federal review process for both the 1915(C) and the 1115. It is hoped that by using the templates states will understand exactly what CMS is looking for and be able to comply with those requests. So, therefore, the times that CMS comes back to the state and asks questions and then analyzes and then asks questions and then analyzes, as we have all experienced, that time should be reduced. Looking at the

template and following the template should provide a comprehensive picture of what CMS is looking for in the way of an approvable waiver or demonstration.

Roger Auerbach: Well that certainly has been the history of when CMS has put out templates. The approval does go faster because it is really a lot easier to know what the choices are and what CMS would like to see in an approvable waiver. But these...

Suzanne Crisp: Roger, an example of that is some years ago when we developed the 1915(C) preprint. I think that really did help states understand the process and certainly has helped the federal review period. So we are hoping that we realize that same experience with the templates.

Roger Auerbach: We hope so too. Let me ask you, Suzanne, have there been states who have come forward already? I know that the template is still in draft form, but have states shown interest already in this?

Suzanne Crisp: Actually Roger we have had a lot of interest. Right now we have on the clock a New Hampshire waiver that is a 1915(C) that will allow self-direction for the MRDD community. We are dangerously close to having a finalization on that and it will be within the first 90 days. I think that is pretty extraordinary for us to have made that kind of progress. If New Hampshire is on the line, I know that they will say that it hasn't been necessarily fun being the first. It is kind of like one of the Cash and Counseling states, you have to go through an awful lot. So we have that.

We also have an 1115 submitted by the state of Florida to self direct one of their state-funded programs and then South Carolina has submitted a concept paper to us and it will self-direct a 1915(C) for their elderly and disabled population.

Roger Auerbach: That's great.

Suzanne Crisp: We have also provided some technical assistance to other states. Each one of these states has used the template. The template is going to OMB for approval. We submitted it in May under the Emergency Paperwork Reduction Act. So it will be approved in a short period. We'll have to go back and resubmit that to the Federal Register so we are looking at a final document of somewhere in early 2003. However, if states would like to use the template, they may do so. It would be an appropriate format.

Roger Auerbach: Suzanne, if states are interested in pursuing this, how do they proceed? Who do they contact?

Suzanne Crisp: We are asking that states contact their regional office and the regional office then will engage someone here at CMS. Probably either their regular analyst or at least a member of the Self-Directed Task Force. Then, we will start a dialog. What we hope to do is talk to states first and see what they are thinking about. Ask them to submit a concept paper and let us review that and then formally submit a

template. That is the process that we have used and it appears to be working quite well. So by the time they actually complete the template, many, many of the issues are already worked out.

Roger Auerbach: I think Kevin first started talking about this technical guide and then you mentioned it too, Suzanne. When will this be available and what issues will it actually cover?

Suzanne Crisp: Actually we are doing a resource kit. The resource kit will include a technical guide and it will include a CD-ROM of all of the information that we are talking about including the templates. It will include some publications from some national experts. For example, we are working with Sue Flanagan right now to do a piece that will go into the resource kit just on fiscal intermediary services and the issues that surround that.

The technical guide then is going to be composed of three different chapters, actually four different chapters. First, there will be an introduction to self-direction and Independence Plus so that we will know what is self-direction: What does it look like? When does the state meet that threshold? The second chapter is going to be the program design guide. Basically, we are going to talk about the principles of self-direction, a little bit about the historical angle on consumer direction, self-determination and self-direction. We will identify the six core elements that we have introduced in the template. We will talk about operationalizing person-centered planning, how to calculate the individual

budgets, what is supports brokerage, what is fiscal employer agent, and what does CMS mean by participant protection and quality assurance and improvement?

Then, the third chapter will be actually the templates with dialog boxes that instruct states specifically how to complete the items asked for in the template. The last chapter will be resources for states. It will be valuable websites that we have found, our contact people, Bill Ditto's name. Things like that. We hope to have, right now it is going through several review processes, and we hope to have the resource kit out some time in November.

Roger Auerbach: Wow, that is great. It sounds like it is just going to be chock-full of information, Suzanne.

Suzanne Crisp: It is going to be so fun.

Roger Auerbach: Suzanne, I am going to first of all say thank you, I really want to open up the lines for questions, because I know that people are going to have questions. They have had questions about Independence Plus and I am sure I didn't ask all the questions that there were about this new program.

I also want to remind participants that Kevin Mahoney is going to make an announcement at the end of the conference call about a new evolution in Cash and Counseling Demonstrations. So Chris, if you would explain again how to people how

they could ask questions. Let's take questions for Suzanne and her team at CMS on Independence Plus.

Chris: Thank you, Sir. Ladies and gentlemen, if there any additional questions, please press the "*" followed by the "1" at this time. As a reminder, if you are using speaker equipment you will need to lift the handset before pressing the numbers. Sir, there are no further questions at this time, please continue.

Roger Auerbach: OK. Well, I am going to give people an opportunity to get in to ask questions on "*1" but Kevin, I think I am going to ask you to make your announcement. Can we have a drum roll?

Kevin Mahoney: *(Laughing)* Well, it is as far as I am concerned wonderful news I can share today. It is within the last week that we have received awards from the Robert Wood Johnson Foundation and from the Office of the Assistant Secretary for Planning and Evaluation that is really going to allow us to do, I will be very precise here, an environmental assessment on the possibility of expanding the Cash and Counseling Demonstration.

Roger Auerbach: What does that mean, Kevin? Does it mean that you are going to see if more states are interested in Cash and Counseling?

Kevin Mahoney: That is the simplest way to put it. But let me be more precise.

Both the Robert Wood Johnson Foundation and ASPE have, I think, looked with great pride on the results of the controlled experiment. Probably next April the Robert Wood Foundation's Board of Trustees is going to take a hard look at expanding the Cash and Counseling Demonstration, not the controlled experiment, but funding for additional states. But before they make that decision, and in order to make it and it is in no way a fait accompli, they really are going to need to know much more precisely how many states are seriously looking at going forward on CMS's Independence Plus templates.

In addition to that, they really are going to want to know some rather detailed information that would help project a budget. What kinds of technical assistance and how much would new and additional states need? What kind of seed money, if any, and we are talking modest amounts of money. This is hot off the presses. As I told you Roger, these are award letters that we have just gotten.

What we are planning to do is, in late October or early November, sponsor a couple of different teleconferences so that state policymakers will have a choice of times that is convenient to them. Some of that will have a chance to go into more detail, as you might imagine, about CMS's part, on the technical guide, on our part, on early results on Cash and Counseling. But it will be a real. At that point we can be very formal, inviting state policymakers to then contact us back if they are really interested and we will schedule like hour, hour and a half individualized phone calls with states that are really interested,

where we can get the information that the Robert Wood Johnson Foundation trustees are going to need to make such a decision.

So, at this point, all I can really say is who are we going to want on those calls? Because of the information we need, it is going to be state policymakers who have the authority to say our particular state is interested in going forward on this and/or the type of person who has been charged with the job of leading the effort at putting together one of the Independence Plus templates. That is who we are looking for as participants on these calls.

I know that the people on the call today are getting early word of this, the first word. We are going to try and let every state know far and wide so everyone has an equal chance to be part of this. But these are teleconferences we will schedule for late October, early November. If you know though, right now that your state, and remember the audience are state policymakers with authority over this matter, is really interested, I can give you an email address that, if you send us your contact information, we will make sure that you get advised of the time and date of these teleconference options.

Roger Auerbach: That's great, Kevin. Could you give it to us?

Kevin Mahoney: Yeah, my co-worker will shudder as I do this because I am using her name (*laughs*). But she, and I should give her credit at the very moment that I do this, because Kristin Simone of our staff here at Boston College is going to be playing a

major role in this environmental assessment. But her email is simonek@bc.edu and I will spell it out. It is simonek@bc.edu. I will say it again to make sure that I did it right, simonek@bc.edu. That is for people who just want to make sure that they get advised when these teleconferences are going to happen.

But again, what we really are going to need, I should take a step back. It is obvious in Cash and Counseling that this has been an amazing partnership. The states first and foremost, the funders, CMS, people at the University of Maryland as well as here at BC, who have been in the national program office. It is going to continue to take that kind of a partnership and we are just delighted that the Robert Wood Johnson Foundation and ASPE, at this stage, want to take this idea from a number of states that were the pioneers to a much larger number of states that will be the early implementers. The real vehicle to do this is to work totally in harmony and in sync with CMS on these Independence Plus templates.

Chris: Pardon me, Mr. Auerbach, I have two participants who would like to ask a question. Would you like to take them now?

Roger Auerbach: Well, I am going to take them in just a minute Chris, because I want to say thank you to Kevin for making that announcement and wish everybody connected with Cash and Counseling lots more success in the future and, Kristin, here come the emails. OK, Chris, let's take those participants' questions.

Chris: Thank you, Sir. Our next question comes from the line of Leslie Burkhart from Connecticut. Please go ahead with your question.

Leslie Burkhart: Hi Kevin, how are you doing?

Kevin Mahoney: Great.

Leslie Burkhart: Congratulations on getting those additional awards and funding for more states. My question would be: do you know at this time if the funding would require a state match?

Kevin Mahoney: Oh, no. I am writing down every single question so I will have good answers when I am put on the spot. I know that the Robert Wood Johnson Foundation is going to be interested in working with states that are really in the process of applying for these CMS templates, have taken that step, have shown that level of interest. That is a match in and of itself. I don't think that there has been any decision about a specific amount of money, if any. It is the real dedication and commitment of the states that we are after. Whereas, I will give this as a feel, we know these are difficult economic times in states and that is why the foundation will also look at providing modest amounts of seed money.

Leslie Burkhart: Thank you.

Roger Auerbach: Thanks for the question.

Chris: Thank you. Our next question comes from the line Audrey McKrimmon from Chicago, Illinois.

Roger Auerbach: You got two questions in one conference call, congratulations.

Audrey McKrimmon: I am from Chicago; we know how to do it early and often. I am excited to learn about the expanded opportunities. However, I had a question about the timeframe that were mentioned by Kevin in terms of October/November. I don't know how many other states are in the same situation as Illinois in that November is a gubernatorial election so a new administration will be coming in and it may be somewhat presumptuous of us to be able to respond in November with the possibility of a new Medicaid Director.

Kevin Mahoney: I appreciate the question because it shows I have been far from clear. Here's a timeframe as clearly as I can enunciate it right now. In later October, early November we are going to hold two teleconferences for state policymakers who would be the type of people with authority to make a decision to go forward and apply for Independence Plus or interested in implementing it. Those teleconferences are informational only. In fact, in a sense, the end point of those teleconferences will be inviting key state actors to set up individual phone calls with us. So the only thing then that probably will have to happen in, let's say December/January, is these individualized,

I'll make this up, hour, hour and a half calls with states that will get us the information the Robert Wood Johnson Foundation's board is going to need to decide whether they indeed are going to go forward and fund additional states. You can't presume how a board will act, but we know that when the Robert Wood Johnson Foundation Board of Trustees meets in April, they are going to need all of the information in front of them. How many states are seriously interested in this and what are their needs? How much and what kind of technical assistance, how much and what kind of seed money?

If the Robert Wood Johnson Foundation's board does indeed act favorably, then it would be next summer that we would be contacting states in earnest, with requests for proposals and to actually implement this. I don't want to portray a process that is undoable. This first piece must be done very carefully, when you go to a board of directors of a foundation you can only go once. First of all, you can't presume on their making the decision favorably, but you do know they have to have all the information. How many states and what do they need and what is the budget going to be for this so that we can go forward. Is that hopefully clearer?

Roger Auerbach: So, in other words, let me ask you a question, Kevin. If someone doesn't participate in the teleconference in October/November, it won't prevent them for later applying for help from Robert Wood Johnson.

Kevin Mahoney: I think that is fair. But I don't want to discourage people from participation, because if we don't get good data on states interests and needs, we won't be able to make a good case to the foundation.

Roger Auerbach: Thank you. Chris, any more participants wanting to ask questions?

Chris: There are no further questions at this time. Please continue.

Roger Auerbach: How I would like to continue is to thank Kevin Mahoney, Bill Ditto, Suzanne Crisp and the members of the CMS Task Force in Baltimore for their participation today. I think it was a very valuable and informative teleconference.

I would ask participants if they have any questions, any more thoughts about topics in the area of consumer direction, to please send them along and Heather, don't cringe here.

Just like Kevin did to Kristin, I am going ask you to send email to hallen@cshp.rutgers.edu.

We are planning to host other teleconferences on other subjects. We have begun planning some conferences on mental health issues and I know we have one also scheduled or at least almost scheduled on workforce issues also coming up. But, in the area of consumer direction, I know that Bill Ditto said we could have a whole teleconference on fiscal intermediary services. If that is of interest to you, please send that by email to Heather and she will forward it to the management team.

Kevin Mahoney: Roger, could I stick in one last word also?

Roger Auerbach: I guess you are. (*Laughs*)

Kevin Mahoney: I am trying. I just went to my mailbox on the way to this call and it is just many of you get the Robert Wood Johnson Foundation's quarterly newsletter *Advances*, and all I can say is a front page story and two and a half pages of it are devoted to Cash and Counseling and questions and answers. It gives us a chance in writing to answer some questions similar to the ones that people delved into today.

Roger Auerbach: Thanks Kevin, for remembering to say that, because I know we talked about it before the call. Again, on behalf of Rutgers Center for State Health Policy, the National Community Living Exchange Collaborative, our partners at ILRU, I want to thank everybody again for their participation today and especially to our speakers. Thank you all very much.

Chris: Thank you ladies and gentlemen. This concludes the Rutgers Center for State Health Policy conference call. Thank you for participating. You may now disconnect.