

News Release

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HHS announces new Affordable Care Act options for community-based care

Medicaid and Medicare introduce greater flexibility for beneficiaries to receive care at home or in settings of their choice

New opportunities in Medicaid and Medicare that will allow people to more easily receive care and services in their communities rather than being admitted to a hospital or nursing home were announced today by Health and Human Services Secretary Kathleen Sebelius.

HHS finalized the Community First Choice rule, which is a new state plan option under Medicaid, and announced the participants in the Independence At Home Demonstration program. The demonstration encourages primary care practices to provide home-based care to chronically ill Medicare patients.

Both are made possible by the Affordable Care Act. Studies have shown that home- and community-based care can lead to better health outcomes.

"We know that people frequently prefer to receive services in their own homes and communities whenever possible. The rule and demonstration announced today give people choice and provide states with flexibility to design programs that better meet the needs of beneficiaries," Secretary Sebelius said. "Prior to passage of the Affordable Care Act, many families had few choices beyond nursing homes or other institutions for their loved ones. The actions taken today will help change that and can lead to better health for these individuals."

The final rule released today on the Community First Choice Option provides states choosing to participate in this option a six percentage point increase in federal Medicaid matching funds for providing community-based attendant services and supports to beneficiaries who would otherwise be confined to a nursing home or other institution.

Also today, the first 16 organizations that will participate in the new Independence at Home Demonstration were announced. They will test whether delivering primary care services in the home can improve the quality of care and reduce costs for patients living with chronic illnesses. These 16 organizations were selected from a competitive pool of more than 130 applications representing hundreds of health care providers interested in delivering this new model of care.

The Independence at Home demonstration, which is voluntary for Medicare beneficiaries, provides chronically ill Medicare beneficiaries with a complete range of in-home primary care services. Under the demonstration, the Centers for Medicare & Medicaid Services (CMS) will partner with primary care practices led by physicians or nurse practitioners to evaluate the extent to which delivering primary care services in a home setting is effective in improving care for Medicare beneficiaries with multiple chronic conditions and reducing costs. Up

to 10,000 Medicare patients with chronic conditions will be able to get most of the care they need at home.

The demonstration is scheduled to begin on June 1, 2012, and conclude May 31, 2015.

HHS is also seeking comment on a proposed rule that describes a separate Home and Community-Based Services state plan option, which was originally authorized in 2005 then enhanced by the Affordable Care Act. Like the Community First Choice Option, this benefit will make it easier for states to provide Medicaid coverage for home and community-based services.

“Our goal is to provide person-centered support to every Medicare and Medicaid beneficiary, regardless of their physical ability or chronic health conditions,” Acting CMS Administrator Marilyn Tavenner said. “These services and programs will help keep these individuals’ health stable, and keep them home where they want to be, while giving us even more tools to achieve better care for the patient, better health for the population, all at lower costs.”

The announcements made today are one part of the Obama administration’s efforts to help people with disabilities and those living with chronic illness stay in their own homes when they wish to do so. Earlier this month, Secretary Sebelius announced the creation of the new Administration for Community Living, bringing together key HHS organizations and offices dedicated to improving the lives of Americans with functional needs into one coordinated and stronger entity. This new agency will work on increasing access to community supports and achieving full community participation for seniors and people with disabilities.

For more information on the Administration for Community Living visit: <http://www.hhs.gov/acl/>.

For more information on the Community First Choice Option visit: http://www.cms.gov/apps/media/fact_sheets.asp.

For more information on the Independence at Home demonstration and the organizations selected to participate visit: innovation.cms.gov/initiatives/independence-at-home.

The rules may be viewed at www.ofr.gov/inspection.aspx.

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