

Medicare: Today's Issue

June 3, 2004

BETTER BENEFITS – MORE CHOICES

Good News about the Medicare Prescription Drug, Improvement and Modernization Act of 2003!

Assisting Homebound Seniors

Secretary Thompson will announce a new Medicare demonstration project that will help promote greater freedom and independence for people with disabilities who require daily assistance.

Helping to Live Full Lives:

- > This demonstration will give those with chronically disabling conditions a chance to live full lives and contribute to their communities while still receiving services in their homes.
- > They need not fear that they will lose home-based services that they depend on just because they try their best to have lives outside the home.
- > By eliminating current restrictions, this group of persons who require substantial daily assistance will have access to more normal lives in their own communities.

<u>Today's Announcement:</u>

- > HHS has identified three states for a Medicare demonstration of a new, less restrictive homebound definition.
 - ✓ This will allow Medicare beneficiaries receiving home health benefits to leave their home more frequently and for longer periods without risking the loss of those benefits.
 - ✓ Up to 15,000 beneficiaries will be eligible to enroll in the two-year demonstration, which will begin in the fall.
 - ✓ The demonstration was authorized by the Medicare Modernization Act.
 - ✓ The demonstration in **Missouri**, **Colorado and Massachusetts** and was authorized by the Medicare Modernization Act.
- This demonstration represents another step forward in President Bush's New Freedom Initiative, which is breaking down barriers to community living for people with disabilities and addressing the requests of persons with disabilities.
- > Current rules used to determine who qualifies for Medicare payment of services at home require that any time away from home must be "infrequent or of short duration."
- > Congress and CMS have refined this definition in recent years, by clarifying that leaving home for adult day care or religious services is allowed.
- ➤ The demonstration project **removes a limitation based on actual time spent away from home,** eliminating the concern among many homebound persons that they will lose their home-based care if they attempt to take advantage of activities outside the home.

- ➤ HHS has played a critical role in advancing the New Freedom Initiative since its launch on Feb. 1, 2001, less than two weeks after President Bush's inauguration.
 - ✓ To date, about 60,000 people with disabilities now have Medicaid health coverage through the Ticket to Work and Work Incentive Improvement Act Medicaid Buyin Program.
 - ✓ HHS also has approved waivers for nine states that give about 22,000 individuals with disabilities the option to direct their own health care.
 - ✓ In addition, HHS' fiscal year 2005 budget plan would authorize more than \$2.2 billion in new spending over the next five years to build on and expand the President's New Freedom Initiative to promote greater independence for Americans of all ages with a disability or long-term illness.