Description of the Cash and Counseling Program

The Cash and Counseling Demonstration and Evaluation (CCDE) was a policy-driven study of a consumer-directed approach to personal assistance services (PAS) for elders and younger adults with disabilities. The CCDE was completed in 2005, and the program is on-going in the demonstration states. The CCDE was funded by the U.S. Department of Health and Human Services (DHSS) and the Robert Wood Johnson Foundation (RWJF), this rigorous social experiment tests the use of the cash benefit to enhance Medicaid consumers’ ability to design PAS services that best meet their needs (while maintaining overall program budget neutrality). Using their cash benefit, consumers choose who provides these very personal and essential services (help with bathing, eating, dressing, etc.), as well as when and how they are provided. For example, consumers may hire a friend or relative, who knows their preferences, to help them on evenings or weekends when agency services may be unavailable. Consumers are also able to use their benefit to buy other services that may increase their independence (e.g. transportation, home modifications, and assistive devices). Counseling and bookkeeping are offered to help consumers manage their services.

Working in partnership with federal agencies such as the Centers for Medicare and Medicaid Services and the Social Security Administration, this true public-private project compared the cash option with traditional, agency-delivered services. The three demonstration states—Arkansas, Florida, and New Jersey—are offering the cash option to elders (over 65 years old) and adults with disabilities (ages 18-64). Children with developmental disabilities are also included in Florida. Arkansas and New Jersey are cashing out services from the Medicaid optional personal care benefit, while Florida is including services from the state’s Home and Community-Based Services waiver.

The evaluation, conducted by Mathematica Policy Research, randomly assigned consumers interested in the cash option to treatment and control groups. This comprehensive evaluation focused on consumer’s service utilization and preferences, quality of care, and service costs as well as issues related to paid and informal workers. A process evaluation also documented how the cash option was implemented in each state and identified environmental factors that could explain program effects. Project counselors also provided feedback on their experience with cash-option consumers. Finally, a qualitative study in each demonstration state provided an in-depth view of how the cash option team (consumer/representative, worker, and counselor) worked together.

Phase I of this national demonstration began in October 1995 with selection of the evaluation contractor and demonstration states. Phase II (October 1996-November 1998) included background research (focus groups and telephone surveys) to determine consumers’ preferences for a cash option or traditional services, completion of a Medicaid 1115 waiver application, coordination with other federal agencies regarding the impact of the cash benefit on eligibility for other major programs, and development of demonstration state infrastructures for outreach, counseling, and fiscal intermediary services. Phase III began in December 1998 when Arkansas enrolled the first cash-option consumers. Florida and New Jersey began enrollment in December 1999. Each state had open enrollment for at least one year and consumers were followed for one year (with a promise of two years of cash).

The CCDE has expanded our knowledge about the use of cash benefits—an ultimate form of consumer-directed PAS—and informed program administrators and policymakers about future direction for state and national long-term care policies. The final reports are available at www.cashandcounseling.org.