

April 26, 2010

Potential Federal Funding Opportunities in Federal Health Reform (Preliminary)

L E G I S L A T I V E A N A L Y S T ' S O F F I C E

Presented to:
Assembly Budget Subcommittee No. 1 on
Health and Human Services
Hon. Dave Jones, Chair



Federal Health Care Reform

Preliminary List of Potential Federal Fund Opportunities for Public Health Programs

| New Funds | | | | |
|---|--|--|--|--|
| <u>Time Period</u> | <u>Option</u> | <u>Description</u> | <u>Funding</u> | <u>Comment</u> |
| Begins in Federal Fiscal Year (FFY) 2010; ongoing | Prevention and Public Health Fund | New fund for public health and prevention programs. | Appropriated: \$500 million in 2010, increasing every year until appropriation reaches \$2 billion in 2015 and beyond. | Can fund currently authorized public health programs, in addition to certain new programs. |
| New Programs | | | | |
| <u>Time Period</u> | <u>Option</u> | <u>Description</u> | <u>Funding</u> | <u>Comment</u> |
| FFYs 2010-2014 | Maternal, Infant, and Early Childhood Home Visiting Program | New program authorization and grant funding for evidence-based home visiting programs that improve maternal, child, and adolescent health (MCAH) outcomes. | Appropriated: \$100 million in 2010, \$250 million in 2011, \$350 million in 2012, \$400 million in 2013 and 2014. | Application will be required for the new home visiting grant program once guidelines are received. Non-supplantation provision applies to new grant funds. (NOTE: This section also appears to require that the state complete a new needs assessment by September 2010 in order to continue receiving Title V funds for MCAH programs.) |
| FFYs 2010-2014 | Community Transformation Grants | New program authorization for grants for community-based preventive health activities. | Funding authorized but not appropriated. | Application will likely be required (if funding is appropriated and guidelines are issued) |
| FFYs 2010-2014 | Healthy Aging, Living Well; Evaluation of Community-Based Prevention | New program authorization for grants for community-based preventive health activities for individuals who are between 55 and 64 years of age. | Funding authorized but not appropriated. | Application will likely be required (if funding is appropriated and guidelines are issued) |
| FFYs 2010-2013 | Epidemiology - Laboratory Capacity Grants | New program authorization for grants to improve capacity for laboratory surveillance and epidemiology. | Funding authorized but not appropriated. | Application will likely be required (if funding is appropriated and guidelines are issued) |
| FFYs 2010-2014 | Grants to Promote Positive Health Behaviors and Outcomes | New program authorization for grants to promote positive health behaviors and outcomes for populations in medically underserved communities. | Funding authorized but not appropriated. | Application will likely be required (if funding is appropriated and guidelines are issued) |
| Begins by March 2011 | Education and Outreach Campaign Regarding Preventive Benefits | National outreach and education program on preventative health benefits; grants may be made available to states for programs targeting Medicaid enrollees. | Funding authorized but not appropriated. | Application will likely be required (if funding is appropriated and guidelines are issued) |

Notes:

Many opportunities will likely be competitive.

Federal guidance is still forthcoming regarding how to apply for these opportunities.

Federal funds come with reporting, evaluation, and other requirements.

Public health grants listed here are those that we believe the state will likely be eligible to apply for; other entities such as local health departments, Indian tribes, and non-profits can also apply for many of these grants.

A Federal Fiscal Year (FFY) begins on October 1st of the previous year, and ends on September 30th of the year with which it is numbered. For example, FFY 2010 begins October 30th, 2009 and ends September 30th, 2010.

**Federal Health Care Reform
Preliminary List of Potential Federal Funding Opportunities for the Medicaid Program**

| <u>Time Period</u> | <u>Option</u> | <u>Description</u> | <u>Funding</u> | <u>Comment</u> |
|---|--|--|--|---|
| Effective April 1, 2010 | Removal of Barriers to Providing Home and Community-Based Services | Expanded state plan amendment (SPA) and waiver options for states to offer home and community-based services which include the ability to target services to specific populations. | Specific funding provision not identified. | |
| Federal Fiscal Years (FFY) 2010-2011 | Medicaid Global Payment System Demonstration Project | A demonstration project that authorizes the use of a new reimbursement structure by adjusting payments made to an eligible safety-net hospital system or network from a fee-for-service payment structure to a global capitated payment model. | Funding authorized but not appropriated. | Up to five states will be selected to participate. |
| Beginning January 1, 2011, or when Secretary develops program criteria, whichever is earlier. | Incentives for Prevention of Chronic Disease in Medicaid | Grants for states to carry out initiatives to provide incentives to Medicaid beneficiaries that participate in programs promoting healthy lifestyles. | Appropriated: \$100 million nationally for a five-year period. Available until expended. | The Secretary is required to develop program criteria after which states can submit an application. States must carry out the initiative for no less than three years. |
| Beginning January 1, 2011 | State Option to Provide Health Homes for Enrollees with Chronic Conditions | Allows states to submit a SPA to provide services such as comprehensive care management and transitional care, to eligible individuals with chronic conditions who select a designated provider, a team of health care professionals, or a health team as the individual's health home for purposes of providing the individual with health home services. | Planning grants authorized of up to \$25 million nationally and enhanced federal medical assistance percentage (FMAP) of 90 percent for first eight quarters the SPA is in effect. | |
| FFY 2011 through December 31, 2015 | Medicaid Emergency Psychiatric Demonstration Project | A three-year demonstration project that would require payment to certain institutions for mental disease for care provided to Medicaid beneficiaries between age 21 and 65 who are in need of medical assistance to stabilize an emergency medical condition. | Appropriated: \$75 million for FFY 2011 nationally (funds available for five years). | States will be selected on a competitive basis by the Secretary. Federal payments to states are based on state's FMAP. |
| Beginning October 1, 2011 | Community First Choice Option | A SPA option to establish an optional Medicaid benefit to offer community-based attendant services and supports, such as assistance to accomplish activities of daily living. | Additional FMAP of 6 percentage points for such services. | SPA must be developed and implemented in collaboration with a Development and Implementation Council established by the state as specified. |
| Beginning October 1, 2011 through September 30, 2015 | State Balancing Incentive Payments Program | A SPA or waiver to expand and diversify medical assistance for home and community-based services and make structural improvements to how the state provides such services. | Authorized funding of up to \$3 billion nationally for additional FMAP of 2 to 5 percentage points for such services. | In general, a "balancing incentive payment state" is a state whose expenditures on home and community-based services represent less than 50 percent of total spending on long term care services. |
| Beginning January 1, 2012 through December 31, 2016 | Pediatric Accountable Care Organization Demonstration Program | A demonstration project that would authorize pediatric medical providers that meet specific requirements to be recognized as an accountable care organization for purposes of receiving incentive payments. | Funding authorized but not appropriated. | States must submit an application to the Secretary. |
| Beginning January 1, 2012 through December 31, 2016. | Demonstration Project to Evaluate Integrated Care around a Hospitalization | A demonstration project to evaluate the use of bundled payments for the provision of integrated care to a Medicaid beneficiary who is hospitalized and receives concurrent physician services. | Specific funding provision not identified. | Up to eight states will be selected to participate by the Secretary based on consideration of the potential to lower costs under the Medicaid program. |

Notes:

Many opportunities are competitive and will be available only to a few states.

Federal guidance is still forthcoming regarding how to apply for these opportunities.

Federal funds generally come with reporting, evaluation, and other requirements.

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