

U.S. House and Senate Notification
Thursday, November 19, 2009

To: Congressional Health Staff

From: Amy Hall
Director, Office of Legislation
Centers for Medicare & Medicaid Services

Subject: CMS Releases State Medicaid Director Letter on Medicaid Self Directed Personal Assistance Services

Today, the Centers for Medicare & Medicaid Services (CMS) released a State Medicaid Director letter providing guidance on the implementation of section 6087 of the Deficit Reduction Act of 2005 (DRA), (Pub. L. 109-171), which amended section 1915 of the Social Security Act (the Act) to allow States to provide individuals with the option to self-direct personal assistance services. The purpose of this letter is to provide additional clarification and guidance for section 1915(j)(4)(B)(ii) of the Act, which permits States to allow participants to use their individual budget for “permissible purchases” (i.e., to acquire items that increase independence or substitute for human assistance) to the extent that expenditures would otherwise be made for the human assistance, and section 1915(c) Home and Community-Based Services (HCBS) waiver programs, in which States may offer self-direction and permit participants to purchase “individual directed goods and services.”

Under the Medicaid self-direction option, participants are able to save or accumulate funds from their budgets for the purchase of goods, services, supports, equipment, supplies, or items that will increase independence or substitute for human assistance. In determining whether coverage is permissible, such goods, services, supports, equipment, supplies, or items must 1) be related to a need or goal identified in the State-approved person-centered service plan; 2) be used for the purpose of increasing independence or substituting for human assistance, to the extent the expenditures would otherwise be made for that human assistance; 3) promote opportunities for community living and inclusion; 4) be accommodated within the participant’s budget without compromising the participant’s health or safety; and 5) be provided to, or directed exclusively toward, the benefit of the participant.

For your convenience, the State Medicaid Director letter is attached. The letter will also be posted on the CMS website at: <http://www.cms.hhs.gov/SMDL/SMD/list.asp>. If you have questions about this announcement, please contact the CMS Office of Legislation. Thank you.