

## **CMS Announces State Grants for Transforming Medicaid**

On July 25, the Centers for Medicare and Medicaid Services Administrator, Mark McClellan, MD, PhD, FACP, announced that states will receive \$150 million in 2007 and 2008 to find new, effective, and economical ways to provide Medicaid coverage.

The “transformation grants,” funded by Congress, are part of the Deficit Reduction Act of 2005 (DRA). All states are eligible for the grants and no state matching funds are required. States must submit grant applications by August 15, 2006.

CMS is encouraging states to look at particular areas of program operations for improved efficiency including:

- Reducing patient error rates;
- Improving rates of collection from estates of amounts owed under Medicaid;
- Improving coordination of care through care management programs and other steps to prevent complications and duplicative or unnecessary services;
- Implementation of performance based payment programs to provide rewards and support for high quality care;
- Implementation of programs to promote personal control over services, with greater emphasis on prevention steps;
- Improving access to primary and specialty physician care for the uninsured, using integrated university-based hospital and clinic systems;
- Implementation of medical risk management program as part of a drug use review program.

Visit the CMS web site at: [www.cms.hhs.gov/MedicaidTransGrants](http://www.cms.hhs.gov/MedicaidTransGrants), for more information on the grants and how state Medicaid agencies can apply for them.

Please contact Shuan Tomlinson at 800-338-2746 ext. 4547 or by email at [stomlinson@acponline.org](mailto:stomlinson@acponline.org) with questions on these or other topics.

To access recent and past state health policy reports go to the State Health Policy section on the Chapter Leadership Network (CLN) website or click on: [http://www.acponline.org/cln/health\\_policy.htm](http://www.acponline.org/cln/health_policy.htm).

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