

SMDL #02-002

February 20, 2002

Dear State Medicaid Director:

I am pleased to announce the Centers for Medicare & Medicaid Services (CMS) is issuing the third round grant solicitation for both the Demonstration to Maintain Independence and Employment and the Medicaid Infrastructure Grant. As you know, these two programs were authorized by the "Ticket to Work and Work Incentives Improvement Act (TWWIIA) of 1999." This letter provides background information and application procedures for these two programs.

Regarding the Demonstration to Maintain Independence and Employment, this letter serves as the official document announcing the third round grant solicitation. Only state Medicaid agencies are eligible to apply for funding under this grant program.

The Demonstration to Maintain Independence and Employment provides federal matching funds to extend regular Medicaid benefits and services to workers who are not yet disabled, but whose potentially severe physical or mental impairments are likely to lead to disability. The goal of the program is to determine whether providing Medicaid coverage to people with progressive diseases or conditions earlier in the course of those diseases increases their ability to stay employed and self-sufficient, improves their health status, and delays the onset of disability. The Demonstration to Maintain Independence and Employment is a six-year demonstration with \$250 million authorized in federal funding.

The grant solicitation inviting states to participate in the Demonstration to Maintain Independence and Employment is posted on the CMS web-site and is referenced below. As explained in the solicitation, states determine which physical or mental impairment(s) will be the focus of the demonstration as well as the maximum number of participants to be enrolled. The grant solicitation also provides information regarding general policy considerations, eligibility, review criteria and an application kit. As specified in the solicitation, the deadline for submitting an application is May 10, 2002. Proposals must be postmarked on or before this date.

States that wish to apply for this demonstration should refer to the CMS web-site and download a copy of the Demonstration to Maintain Independence and Employment solicitation using the following address:
www.hcfa.gov/medicaid/twwiia/twwiiahp.htm.

With respect to the Medicaid Infrastructure Grant, a Federal Register Notice (2139-N) was published on January 25, 2002 announcing the third round grant

solicitation. The announcement was made through the Federal Register because any agency or instrumentality of the state in addition to the single state Medicaid agency may apply.

The 11-year Medicaid Infrastructure Grant program authorized by TWWIA expires in 2011. A total of \$30 million has been authorized for this grant cycle for new and continuation grants. Infrastructure grant funds are available to encourage states to make lasting changes to their service delivery systems for working individuals who have disabling conditions. Grant funds may also be used to design and develop a demonstration project in conjunction with the Demonstration to Maintain Independence and Employment described above.

The deadline for submitting a Medicaid Infrastructure Grant application, as mentioned in the solicitation, is June 7, 2002. The solicitation entitled "Ticket to Work and Work Incentives Improvement Act of 1999 - Medicaid Infrastructure Grant" can be downloaded in its entirety by accessing the CMS Ticket to Work web-site referenced above.

If you have any questions regarding the Demonstration to Maintain Independence and Employment or the Medicaid Infrastructure Grant, please call Joe Razes on (410) 786-6126.

We look forward to receiving your application.

Sincerely,

/s/

Dennis G. Smith

Director

cc:

CMS Regional Administrators

CMS Associate Regional Administrators for Medicaid and State Operations

Regional Ticket to Work Coordinators

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