

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
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**Office of External Affairs**

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## **MEDICARE NEWS**

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### **CMS ANNOUNCES GRANTS TO STATES TO EXPAND CARE OPTIONS FOR CHILDREN WITH MENTAL ILLNESS**

#### ***Demonstration Grants to Provide \$218 Million to Fund Community-Based Alternatives to Psychiatric Residential Treatment Facilities***

Today, the Centers for Medicare & Medicaid Services (CMS) announced the availability of \$218 million for up to 10 state Medicaid programs to provide community-based alternatives to Psychiatric Residential Treatment Facilities (PRFT) for children. This funding opportunity is an integral piece of the President's New Freedom Initiative and will allow young people who need psychiatric care to live at home while receiving that care.

As part of the Deficit Reduction Act of 2005 (DRA) implementation effort, CMS will award demonstration grants for up to ten states over the course of a five-year span starting in December 2006. The Community Alternatives to Psychiatric Residential Treatment Facilities demonstration grants will provide a comprehensive package of community-based services for children with mental illness.

“Providing alternatives to institutionalized care for people covered by Medicaid is one of President Bush’s key priorities and an important step in expanding the options available for psychiatric care to children and their families,” said CMS Administrator Mark B. McClellan, M.D., Ph.D. “This demonstration program enables the States the opportunity to provide services in the community rather than institutionalizing children with mental illness at an early age.”

Of the total funding amount, \$1 million is set aside for an evaluation of the project. The evaluation will address the cost effectiveness of providing services in the community, as well as the impact of the program in improving or maintaining the functional level of participants. States will also be asked to implement strategies to ensure high quality services and supports are provided to participants.

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CMS is currently soliciting proposals from State Medicaid agencies for these competitive demonstration awards through October 18, 2006. Demonstration grants will be awarded to states beginning December 1, 2006, through September 30, 2011. CMS is looking for proposals that demonstrate collaboration with youth and families and across mental health and other child serving agencies.

A copy of the “*2006 Community Alternatives to Psychiatric Residential Treatment Facilities Demonstration Grant Program*,” including the application forms, can be obtained at [www.grants.gov](http://www.grants.gov). For more details about the New Freedom Initiative, visit the CMS web site at: [http://www.cms.hhs.gov/NewFreedomInitiative/02\\_WhatsNew.asp](http://www.cms.hhs.gov/NewFreedomInitiative/02_WhatsNew.asp)

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