



U.S. Department of Health and Human Services  
Assistant Secretary for Planning and Evaluation  
Office of Disability, Aging and Long-Term Care Policy



# **CASH AND COUNSELING: EARLY EXPERIENCES IN ARKANSAS**

December 2000

## **Office of the Assistant Secretary for Planning and Evaluation**

The Office of the Assistant Secretary for Planning and Evaluation (ASPE) is the principal advisor to the Secretary of the Department of Health and Human Services (HHS) on policy development issues, and is responsible for major activities in the areas of legislative and budget development, strategic planning, policy research and evaluation, and economic analysis.

ASPE develops or reviews issues from the viewpoint of the Secretary, providing a perspective that is broader in scope than the specific focus of the various operating agencies. ASPE also works closely with the HHS operating divisions. It assists these agencies in developing policies, and planning policy research, evaluation and data collection within broad HHS and administration initiatives. ASPE often serves a coordinating role for crosscutting policy and administrative activities.

ASPE plans and conducts evaluations and research--both in-house and through support of projects by external researchers--of current and proposed programs and topics of particular interest to the Secretary, the Administration and the Congress.

## **Office of Disability, Aging and Long-Term Care Policy**

The Office of Disability, Aging and Long-Term Care Policy (DALTCP), within ASPE, is responsible for the development, coordination, analysis, research and evaluation of HHS policies and programs which support the independence, health and long-term care of persons with disabilities--children, working aging adults, and older persons. DALTCP is also responsible for policy coordination and research to promote the economic and social well-being of the elderly.

In particular, DALTCP addresses policies concerning: nursing home and community-based services, informal caregiving, the integration of acute and long-term care, Medicare post-acute services and home care, managed care for people with disabilities, long-term rehabilitation services, children's disability, and linkages between employment and health policies. These activities are carried out through policy planning, policy and program analysis, regulatory reviews, formulation of legislative proposals, policy research, evaluation and data planning.

This Issue Brief (Mathematica Policy Research Issue Brief, December 2000, Number 1) was prepared with funding from contract #HHS-100-95-0046 between DALTCP and the University of Maryland. Additional funding was provided by the Robert Wood Johnson Foundation. For additional information about this subject, you can visit the DALTCP home page at [http://aspe.hhs.gov/\\_/office\\_specific/daltcp.cfm](http://aspe.hhs.gov/_/office_specific/daltcp.cfm) or contact the office at HHS/ASPE/DALTCP, Room 424E, H.H. Humphrey Building, 200 Independence Avenue, S.W., Washington, D.C. 20201. The e-mail address is: [webmaster.DALTCP@hhs.gov](mailto:webmaster.DALTCP@hhs.gov). The Project Officer was Pamela Doty.

# **CASH AND COUNSELING: Early Experiences in Arkansas**

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Mathematica Policy Research, Inc.

December 2000

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Office of Disability, Aging and Long-Term Care Policy  
Office of the Assistant Secretary for Planning and Evaluation  
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The opinions and views expressed in this report are those of the authors. They do not necessarily reflect the views of the Department of Health and Human Services, the contractor or any other funding organization.

*This brief is based on Mathematica's evaluation of Cash and Counseling, a three-state demonstration in which Medicaid enrollees eligible for personal assistance services and other paid help around the home and community get a monthly cash allowance to purchase these services and related goods, instead of obtaining them through a home care agency. They also receive counseling to help plan their purchases. The three states included in the demonstration are Arkansas, Florida, and New Jersey.*

## **A New Approach**

Cash and Counseling is an innovative method of delivering services to frail elderly and disabled Medicaid enrollees. The primary goal is to increase consumers' control over their personal care and assistance, enhance their satisfaction with that care, and meet their needs more fully without increasing costs. Consumers can use their monthly cash allowances to hire family members, friends, or anyone else to provide care, or to buy equipment or devices to increase their independence. This empowerment over the choice of providers, services, and equipment is expected to improve consumers' independence and quality of life.

The study will estimate the size of demonstration effects, determine whether the program worked better for some groups than others, and describe, in each state, how it accomplished its goal (or why it failed). The randomly assigned treatment and control groups will ensure that the estimates truly measure program effects. Evaluation findings will help policymakers determine whether and how to develop ongoing consumer-directed programs in the demonstration states and other locales.

## **An Early Look at Arkansas**

Preliminary findings for the first 200 treatment group members in the Arkansas Independent Choices program provide an early glimpse of who enrolled, what they used the cash for, types and amount of help hired, and satisfaction with the program. About three-fourths of these early enrollees are age 65 or older. More than half are in poor health, most with chronic illnesses. Many have extreme difficulty with the basic activities of daily living, leading more than 60 percent to have paid help with getting out of bed and 90 percent to have paid help with bathing (Figure 1). Two-thirds were still enrolled in the program nine months after entering.

When choosing a caregiver, enrollees almost always hired people they were already close to personally (Figure 2). Over three-fourths chose a family member, and another 15 percent opted for a friend, neighbor, or church member to provide care, typically for 10 to 20 hours a week. Two out of five used multiple caregivers to meet their needs. An important result is that 95 percent were pleased with the times of day they could get help. Many people who get help from an agency have to adjust to whatever hours the paid caregiver works.

Most enrollees are highly pleased with the care arrangements they made. A full 100 percent are satisfied with their relationship with the hired worker. This is very different from traditional care arrangements, under which consumers are sometimes unhappy with the way agency workers treat them. The highly personal nature of the care provided and the vulnerability of the recipients underscores the importance of giving consumers the option of hiring caregivers who treat them with dignity and respect.

A unique feature of Cash and Counseling is that consumers can also use the monthly allowance to purchase needed items. One-third bought or repaired equipment for personal activities, communication, or safety. One-fifth bought or repaired equipment for such things as meal preparation or housekeeping chores. A small proportion modified their homes. Surprisingly, some used funds to purchase medicine, perhaps because of limited drug coverage through the Arkansas Medicaid program.

Despite their physical problems, 80 percent reported being satisfied with their lives. However, 25 to 40 percent say they are still not getting enough help with various activities, especially meals and housework. There continues to be room for improvement.

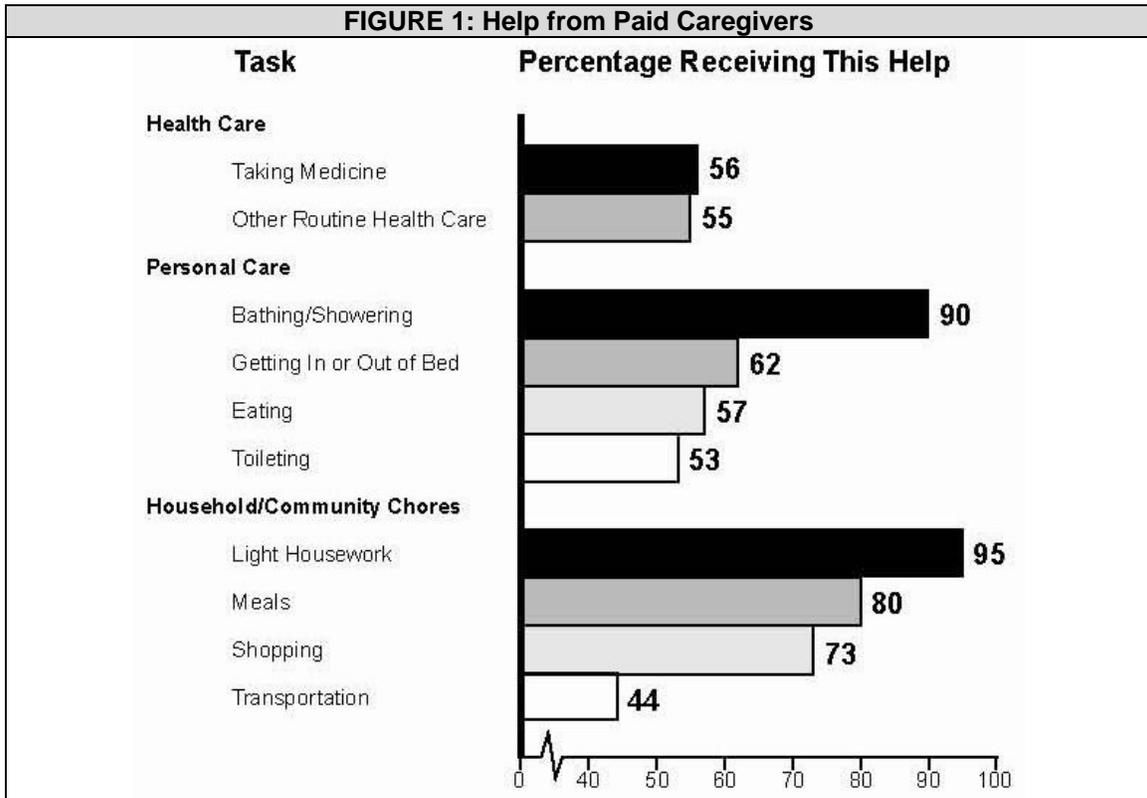
## **Satisfaction with Independent Choices**

Early enrollees in Cash and Counseling appear very pleased with their experience (Figure 3). Ninety-three percent would recommend the program to others; four out of five said it improved their lives. None said they were worse off than before. How their experience compares to that of enrollees in the traditional program, and the effect on Medicaid costs, remains to be seen. The final report for Arkansas will shed light on these questions and differences in effects across groups of consumers defined by age and other factors. Other reports on how caregivers are affected and on findings for New Jersey and Florida will provide further guidance on the consequences of giving consumers control over their personal care.

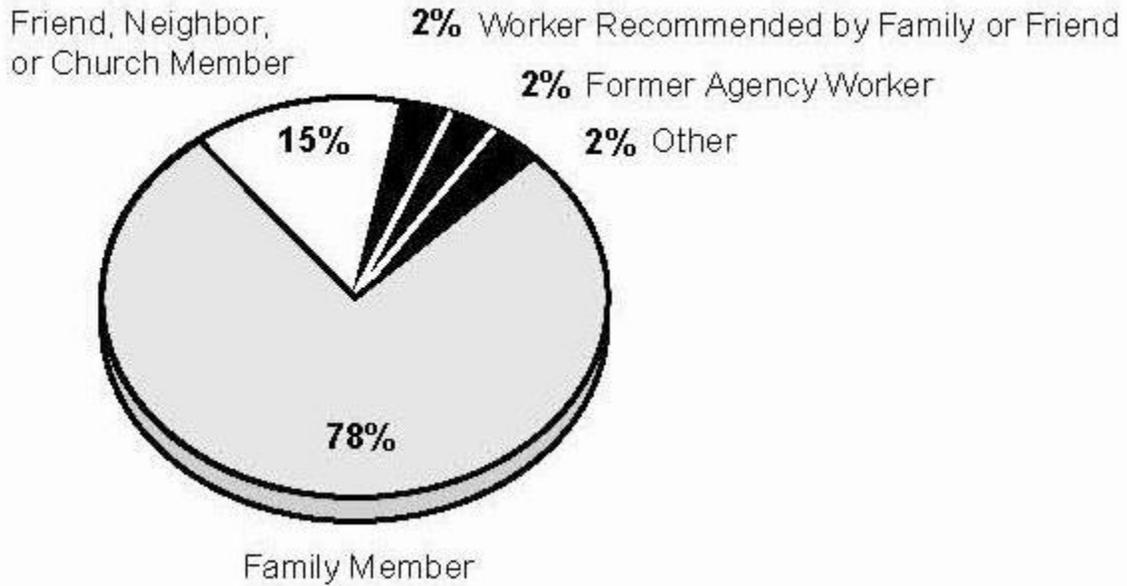
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The Cash and Counseling evaluation is based on telephone surveys with demonstration participants and their caregivers, analysis of Medicare and Medicaid enrollment and claims data, information about program implementation collected from state officials and provider agencies, and interviews with counselors. The demonstration is jointly funded by the Robert Wood Johnson Foundation and the U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. The national program office for Cash and Counseling is the Center on Aging at the University of Maryland. For questions about the study, please call Dr. Randall Brown at (609) 275-2393, or visit our web site at <http://www.mathematica-mpr.com/cashcounselinghot.htm>.

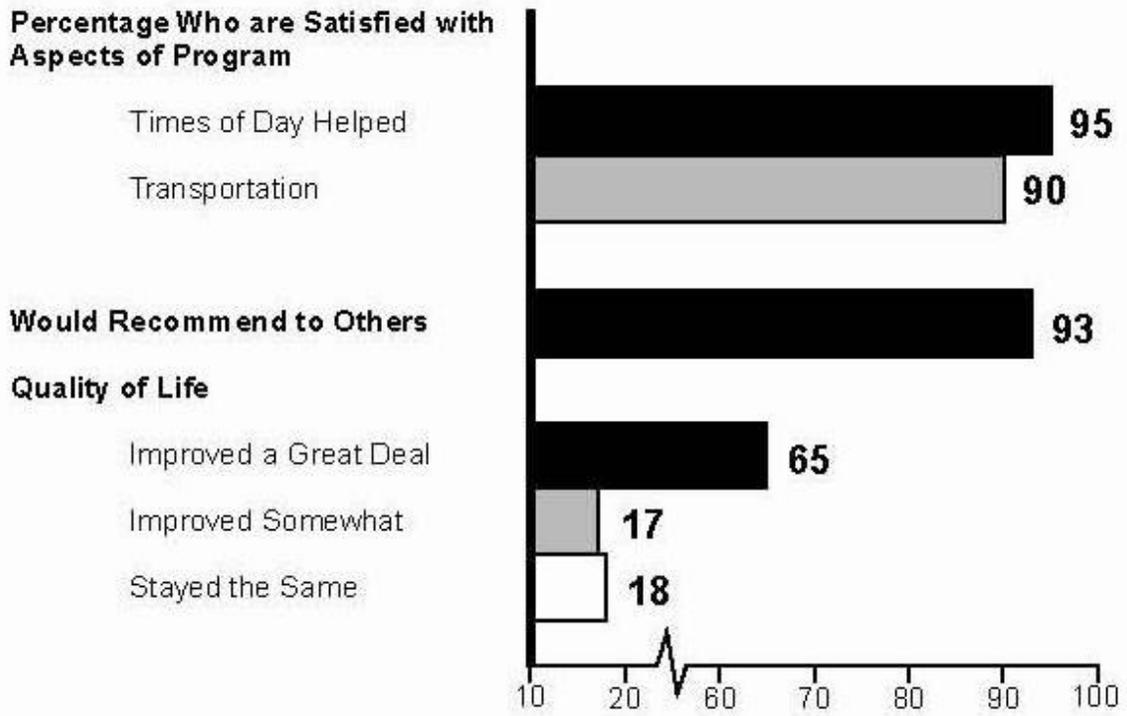
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**FIGURE 2: Who Consumers Hired**



**FIGURE 3: Consumer Satisfaction**



# PERSONAL ASSISTANCE SERVICES “CASH AND COUNSELING” DEMONSTRATION/EVALUATION

## Reports Available

Assessing the Appeal of the Cash and Counseling Demonstration in Arkansas, Florida and New Jersey

Executive Summary <http://aspe.hhs.gov/daltcp/reports/CCappeales.htm>  
HTML <http://aspe.hhs.gov/daltcp/reports/CCappeal.htm>  
PDF <http://aspe.hhs.gov/daltcp/reports/CCappeal.pdf>

Cash and Counseling: Consumers' Early Experiences in Arkansas

HTML <http://aspe.hhs.gov/daltcp/reports/2000/earlyAR.htm>  
PDF <http://aspe.hhs.gov/daltcp/reports/2000/earlyAR.pdf>

Cash and Counseling: Early Experiences in Arkansas

HTML <http://aspe.hhs.gov/daltcp/reports/2000/mpr-ark.htm>  
PDF <http://aspe.hhs.gov/daltcp/reports/2000/mpr-ark.pdf>

Changing to Consumer-Directed Care: The Implementation of the Cash and Counseling Demonstration in Florida

Executive Summary <http://aspe.hhs.gov/daltcp/reports/FLchangees.htm>  
HTML <http://aspe.hhs.gov/daltcp/reports/FLchange.htm>  
PDF <http://aspe.hhs.gov/daltcp/reports/FLchange.pdf>

Consumer and Consultant Experiences in the Florida Consumer Directed Care Program

Executive Summary <http://aspe.hhs.gov/daltcp/reports/FLcdcpes.htm>  
HTML <http://aspe.hhs.gov/daltcp/reports/FLcdcp.htm>  
PDF <http://aspe.hhs.gov/daltcp/reports/FLcdcp.pdf>

Consumer and Consultant Experiences in the New Jersey Personal Preference Program

Executive Summary <http://aspe.hhs.gov/daltcp/reports/NJpppes.htm>  
HTML <http://aspe.hhs.gov/daltcp/reports/NJppp.htm>  
PDF <http://aspe.hhs.gov/daltcp/reports/NJppp.pdf>

Consumer and Counselor Experiences in the Arkansas Independent Choices Program

Executive Summary <http://aspe.hhs.gov/daltcp/reports/arkexpes.htm>  
HTML <http://aspe.hhs.gov/daltcp/reports/arkexp.htm>  
PDF <http://aspe.hhs.gov/daltcp/reports/arkexp.pdf>

Determining Consumer Preferences for a Cash Option: Arkansas Survey Results

HTML <http://aspe.hhs.gov/daltcp/reports/arksrvy.htm>

PDF <http://aspe.hhs.gov/daltcp/reports/arksvy.pdf>

#### Do Consumer-Directed Medicaid Supportive Services Work for Children with Developmental Disabilities?

Executive Summary <http://aspe.hhs.gov/daltcp/reports/2004/ddkidsMses.htm>

HTML <http://aspe.hhs.gov/daltcp/reports/2004/ddkidsMss.htm>

PDF <http://aspe.hhs.gov/daltcp/reports/2004/ddkidsMss.pdf>

#### Does Arkansas' Cash and Counseling Affect Service Use and Public Costs?

Executive Summary <http://aspe.hhs.gov/daltcp/reports/ARsupces.htm>

HTML <http://aspe.hhs.gov/daltcp/reports/ARsupc.htm>

PDF <http://aspe.hhs.gov/daltcp/reports/ARsupc.pdf>

#### Does Consumer Direction Affect the Quality of Medicaid Personal Assistance in Arkansas?

Executive Summary <http://aspe.hhs.gov/daltcp/reports/arquales.htm>

HTML <http://aspe.hhs.gov/daltcp/reports/arqual.htm>

PDF <http://aspe.hhs.gov/daltcp/reports/arqual.pdf>

#### Easing the Burden of Caregiving: The Impact of Consumer Direction on Primary Informal Caregivers in Arkansas

Executive Summary <http://aspe.hhs.gov/daltcp/reports/easinges.htm>

HTML <http://aspe.hhs.gov/daltcp/reports/easing.htm>

PDF <http://aspe.hhs.gov/daltcp/reports/easing.pdf>

#### Effect of Consumer Direction on Adults' Personal Care and Well-Being in Arkansas, New Jersey, and Florida

Executive Summary <http://aspe.hhs.gov/daltcp/reports/adultpcwes.htm>

HTML <http://aspe.hhs.gov/daltcp/reports/adultpcw.htm>

PDF <http://aspe.hhs.gov/daltcp/reports/adultpcw.pdf>

#### Enabling Personal Preference: The Implementation of the Cash and Counseling Demonstration in New Jersey

Executive Summary <http://aspe.hhs.gov/daltcp/reports/enableppes.htm>

HTML <http://aspe.hhs.gov/daltcp/reports/enablepp.htm>

PDF <http://aspe.hhs.gov/daltcp/reports/enablepp.pdf>

#### Experiences of Workers Hired Under Cash and Counseling: Findings from Arkansas, Florida, and New Jersey

Executive Summary <http://aspe.hhs.gov/daltcp/reports/workerexpes.htm>

HTML <http://aspe.hhs.gov/daltcp/reports/workerexp.htm>

PDF <http://aspe.hhs.gov/daltcp/reports/workerexp.pdf>

#### How Cash and Counseling Affects Informal Caregivers: Findings from Arkansas, Florida and New Jersey

Executive Summary <http://aspe.hhs.gov/daltcp/reports/ICaffectes.htm>

HTML <http://aspe.hhs.gov/daltcp/reports/ICaffect.htm>  
PDF <http://aspe.hhs.gov/daltcp/reports/ICaffect.pdf>

#### Lessons from the Implementation of Cash and Counseling in Arkansas, Florida, and New Jersey

Executive Summary <http://aspe.hhs.gov/daltcp/reports/cclesones.htm>  
HTML <http://aspe.hhs.gov/daltcp/reports/cclesson.htm>  
PDF <http://aspe.hhs.gov/daltcp/reports/cclesson.pdf>

#### Medicaid Costs Under Consumer Direction for Florida Children with Developmental Disabilities

Executive Summary <http://aspe.hhs.gov/daltcp/reports/2004/FLddkidses.htm>  
HTML <http://aspe.hhs.gov/daltcp/reports/2004/FLddkids.htm>  
PDF <http://aspe.hhs.gov/daltcp/reports/2004/FLddkids.pdf>

#### Moving to Independent Choices: The Implementation of the Cash and Counseling Demonstration in Arkansas

Executive Summary <http://aspe.hhs.gov/daltcp/reports/movingices.htm>  
HTML <http://aspe.hhs.gov/daltcp/reports/movingic.htm>  
PDF <http://aspe.hhs.gov/daltcp/reports/movingic.pdf>

#### The Cash and Counseling Demonstration: An Experiment in Consumer-Directed Personal Assistance Services

HTML <http://aspe.hhs.gov/daltcp/reports/ccdartcl.htm>  
PDF <http://aspe.hhs.gov/daltcp/reports/ccdartcl.pdf>

#### The Effect of Cash and Counseling on Medicaid and Medicare Costs: Findings for Adults in Three States

Executive Summary <http://aspe.hhs.gov/daltcp/reports/3stcostes.htm>  
HTML <http://aspe.hhs.gov/daltcp/reports/3stcost.htm>  
PDF <http://aspe.hhs.gov/daltcp/reports/3stcost.pdf>

#### The Effect of Consumer Direction on Personal Assistance Received in Arkansas

Executive Summary <http://aspe.hhs.gov/daltcp/reports/Arkpaes.htm>  
HTML <http://aspe.hhs.gov/daltcp/reports/Arkpa.htm>  
PDF <http://aspe.hhs.gov/daltcp/reports/Arkpa.pdf>

#### The Effects of Cash and Counseling on the Primary Informal Caregivers of Children with Developmental Disabilities

Executive Summary <http://aspe.hhs.gov/daltcp/reports/ddkidpices.htm>  
HTML <http://aspe.hhs.gov/daltcp/reports/ddkidpic.htm>  
PDF <http://aspe.hhs.gov/daltcp/reports/ddkidpic.pdf>

#### The Experiences of Workers Hired Under Consumer Direction in Arkansas

Executive Summary <http://aspe.hhs.gov/daltcp/reports/ARhiredes.htm>  
HTML <http://aspe.hhs.gov/daltcp/reports/ARhired.htm>

PDF

<http://aspe.hhs.gov/daltcp/reports/ARhired.pdf>

## **Instruments Available**

Participation Questionnaire

HTML

<http://aspe.hhs.gov/daltcp/instruments/DecideFm.htm>

PDF

<http://aspe.hhs.gov/daltcp/instruments/DecideFm.pdf>

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