DEPARTMENT OF HEALTH & HUMAN SERVICES Health Care Financing Administration

Center for Medicaid and State Operations 7500 Security Boulevard Baltimore, MD 21244-1850

October 26, 2000

Dear State Medicaid Director:

We are grateful for the strong interest shown by so many States in the recent Health Care Financing Administration (HCFA) grant solicitations related to the Ticket to Work and Work Incentives Improvement Act (TWWIIA) of 1999. As you are probably aware, the first round of awards for both grants was announced on October 25, 2000.

Many states indicated to us that they were very interested in the new opportunities but could not complete an application within the two-month window of time permitted. They expressed hope that we would hold another round of grant solicitations with enough advance notice for States to plan adequately to build upon the momentum of current planning efforts.

I am pleased to announce that we will accept another round of applications for both the Infrastructure Grants and Demonstrations to Maintain Independence and Employment authorized by this legislation.

A grant solicitation for the Medicaid Infrastructure Grants will be released annually for the duration of the grant program, which is due to expire in 2011. The second grant solicitation will be published in the *Federal Register* in calendar year 2001 for funding beginning January 1, 2002. The grant solicitation for the Medicaid Infrastructure Grants is likely to be modified. Therefore, please do not rely on the grant solicitation from the first round.

As you will recall, the Demonstration to Maintain Independence and Employment is a six-year demonstration with \$250 million in federal funding. After awarding the first round of grants, a significant balance of demonstration funding will remain available for use by other states. HCFA would like other interested states to begin participating in this demonstration as soon as possible to maximize the length of time that states can operate demonstration projects.

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Unlike the infrastructure grants, this letter serves as HCFA's notice to you that we are re-releasing the grant solicitation for the Demonstration to Maintain Independence and Employment. Bearing in mind that states requested more than sixty days to complete grant solicitations, the application due date to HCFA is April 30, 2001. Also unlike the infrastructure grants, please note that if all of the funding is committed as a result of the applications received in April 2001 there will never be another opportunity to apply for this demonstration.

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Please access our TWWIIA web site at www.hcfa.gov for information on how to apply for these grants and for questions and answers related to the solicitations. If you have any questions please contact Joe Razes, project manager, at (410) 786-6126.

Thank you for your strong interest in removing employment barriers for people with disabilities.

Sincerely,

/s/

Timothy M. Westmoreland Director

cc: All HCFA Regional Administrators

All HCFA Associate Regional Administrators for Medicaid and State Operations

Lee Partridge Director, Health Policy Unit American Public Human Services Association

Joy Wilson Director, Health Committee National Conference of State Legislatures

Matt Salo Director of Health Legislation National Governors' Association

Jenifer E. Urff Director of Government Relations

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National Association of State Mental Health Program Directors

Brent Ewig Senior Director, Access Policy Association of State and Territorial Health Officers

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