Indiana
Family and Social Services Administration

Community and Home Options to Institutional Care for the Elderly and Disabled (CHOICE)

State Fiscal Year 2017 Annual Report
In compliance with IC 12-10-10-11

The Community and Home Options to Institutional Care for the Elderly and Disabled (CHOICE) Program was established during the 1987 legislative session through House Enrolled Act 1094 and began as a pilot program in Knox, Daviess, and Tippecanoe counties in 1988. In 1990, the program expanded to eleven additional counties, and by 1992, the program included services to all of Indiana's 92 counties. In 2005, Indiana Code 12-10-10-4 was amended to include an individual asset limit to not exceed the worth of $500,000. CHOICE is funded exclusively with state dollars. To be an "eligible individual" for CHOICE program services, one must:

- be a resident of the State of Indiana;
- be 60 years of age or older or disabled;
- not have assets exceeding the worth of $500,000, as determined by the Indiana Division of Aging; and
- qualify under the criteria developed by the CHOICE Board as having an impairment that places the individual at risk of losing the individual's independence if the individual is unable to perform two (2) or more assessed activities of daily living.

CHOICE funding for services is used after all other possible payment sources have been identified and all reasonable efforts have been employed to utilize those sources. While there are no income restrictions on eligibility, a cost share exists for anyone above 150% of Federal Poverty Level.

Basis for the CHOICE Annual Report

IC 12-10-10-11 is the basis for the CHOICE annual report. The code is listed throughout this report along with the appropriate statistics and data from State Fiscal Year (SFY) 2017, which encompasses July 1, 2016 through June 30, 2017. The annual report's criteria is outlined in the Indiana Code and is listed below:

1. The amount and source of all local, state, and federal dollars spent.
2. The use of the community and home options to institutional care for the elderly and disabled program in supplementing the funding of services provided to clients through other programs.
3. The number and types of participating providers.
4. An examination of:
    a. demographic characteristics; and
    b. impairment and medical characteristics.
5. A comparison of costs for all publicly funded long term care programs.
6. Client care outcomes.
7. A determination of the estimated number of applicants for services from the community and home options to institutional care for the elderly and disabled program who have:
    a. one (1) assessed activity of daily living that cannot be performed;
    b. two (2) assessed activities of daily living that cannot be performed; and
    c. three (3) or more assessed activities of daily living that cannot be performed; and the estimated effect of the results under clauses (A), (B),and (C) on program funding, program savings, client access, client care outcomes, and comparative costs with other long term care programs.

Once completed, the CHOICE Board will review and comment on the report, hear public opinion and incorporate their own opinions. Upon completion, the board will then submit the final report to the General Assembly before December 31.

Amount and Source of Local, State, and Federal Dollars Spent[1] (IC 12-10-10-11(a) (1))

State Fiscal Year 2017	Total	State	Federal
Aged and Disabled Medicaid Waiver	$ 227,985,536	$ 76,147,169	$ 151,838,367
Traumatic Brain Injury Medicaid Waiver	$ 4,659,296	$ 1,556,205	$ 3,103,091
Social Services Block Grant	$ 8,706,434	$ 687,396	$ 8,019,038
Older Americans Act – Title III	$ 22,810,824	$ 253,437	$ 22,557,387
CHOICE	$ 48,765,643	$ 48,765,643	$ -
SFY 2017 Total Allocations	$ 312,927,733	$ 127,409,850	$ 185,517,883

Use of CHOICE to Supplement the Funding of Services from Other Programs (IC 12-10-10-11(a)(2))

- Number of people who received CHOICE services while Medicaid-eligible: 5955[2]

Number and Types of Providers (IC 12-10-10-11(a)(3))

- Total Number of CHOICE Providers: 755

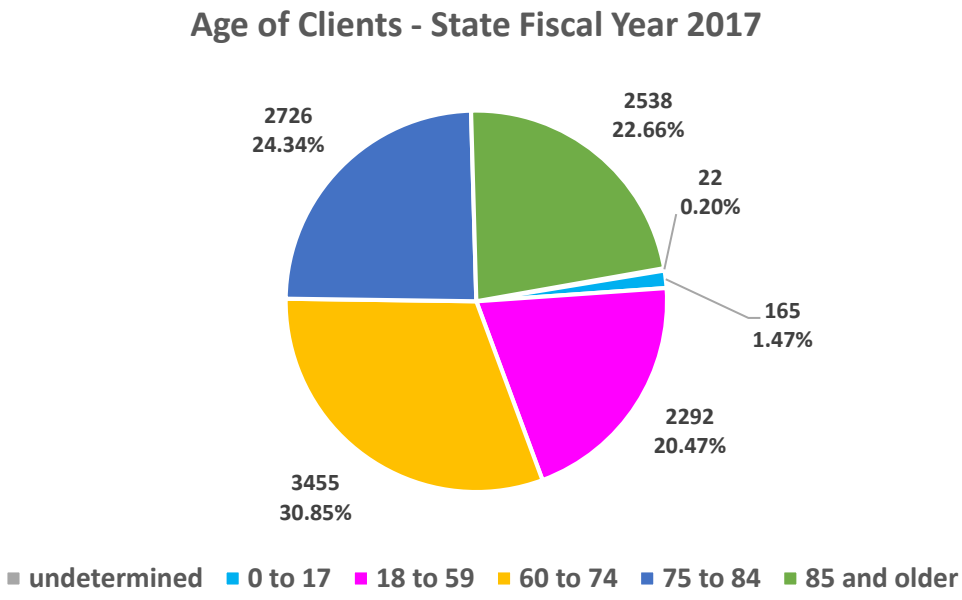
Types of Participating CHOICE Providers:

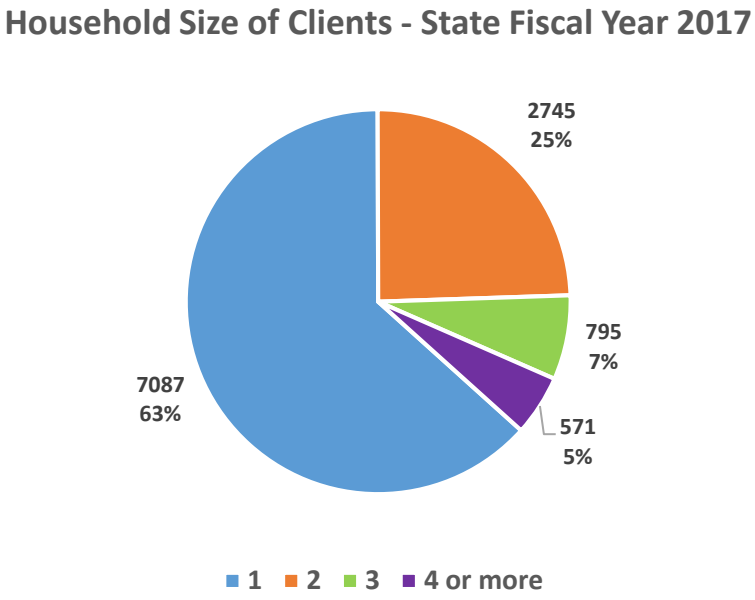
Adult Day Care Centers
Area Agencies on Aging
Cleaning Service Companies
Construction Companies
Faith-Based Social Service Agencies
Home-Delivered Meals Services
Informal Providers
Legal Service Organizations
Local Housing Authorities
Medical Equipment Companies
Mental Health Agencies
Pest Control Companies
Physical Therapists
Transportation Companies
Personal Service Agencies
Home Health Agencies

[1] Waiver expenditures were obtained from the Office of Medicaid Policy and Planning. CHOICE, SSBG and Title III expenditures were taken from Division of Aging accounting.

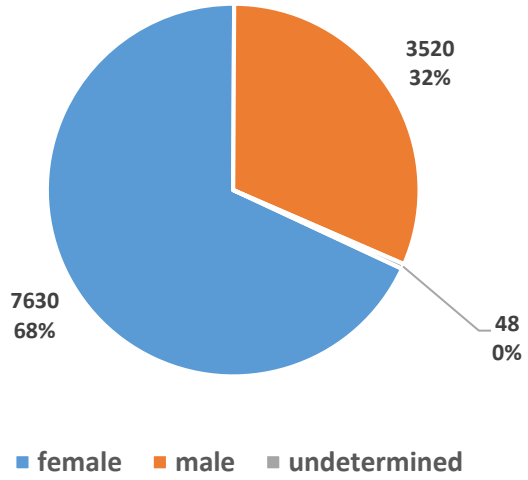
[2] Clients matched from CHOICE against Indiana Medicaid for a valid Medicaid number. Individuals may have been in a Medicaid aid category not eligible for waiver participation, e.g. Medicaid only for coverage of Medicare premiums (QMB only).

Demographic Characteristics[3] (IC 12-10-10-11(a)(4)(A))

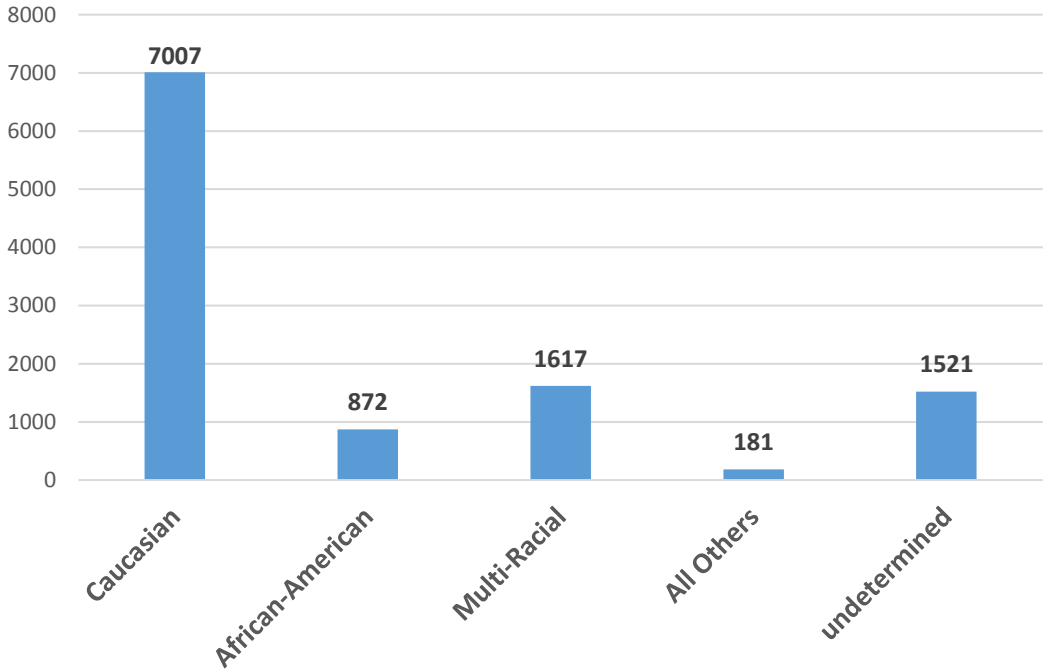




Gender of Clients - State Fiscal Year 2017



Race of Clients - State Fiscal Year 2017



Impairments and Medical Characteristics of CHOICE Clients[3] (IC 12-10-10-11(a)(4)(B))

Primary Diagnosis – State Fiscal Year 2017		
Diagnosis	**Number**	**% of Total**
No Diagnosis Code	4,507	40.2%
Circulatory	974	8.7%
Nervous	511	4.6%
Alzheimer's and Dementia Related	806	7.2%
All Others	4,400	39.3%

Secondary Diagnosis – State Fiscal Year 2017		
Diagnosis	**Number**	**% of Total**
No Diagnosis Code	5,301	47.3%
Circulatory	1,075	9.6%
Nervous	305	2.7%
Alzheimer's and Dementia Related	200	1.8%
All Others	4,317	38.6%

Tertiary Diagnosis – State Fiscal Year 2017		
Diagnosis	**Number**	**% of Total**
No Diagnosis Code	6,030	53.8%
Circulatory	933	8.3%
Nervous	273	2.4%
Alzheimer's and Dementia Related	109	1.0%
All Others	3,853	34.4%

[3] As reported by the Area Agencies on Aging per INsite (Indiana In-Home Services Information System).

Comparison of Costs for All Publicly Funded Long-Term Care Programs[4] (IC 12-10-10-11(a)(5))

CHOICE State Fiscal Year 2017	Total	State	Federal
Average cost per client based on 3,728 clients served per month, and an average utilization of 4 months per client			
Per Day	$ 36	$ 36	
Per Month	$ 1,101	$ 1,101	
Per Year	$ 4,351	$ 4,351	
Nursing Facilities State Fiscal Year 2016	**Total**	**State**	**Federal**
Average cost per client			
Per Day	$ 154	$ 51	$ 103
Per Month	$ 4,424	$ 1,478	$ 2,946
Per Year	$ 53,088	$ 17,731	$ 35,357

Client Care Outcomes (IC 12-10-10-11(a)(6))

CHOICE provided community and home care services for 11,198 clients in SFY 2017. For SFY 2017, there were 1,387 CHOICE clients who were approved and confirmed to start the Aged and Disabled Waiver and 2 CHOICE clients who was approved and confirmed to start the Traumatic Brain Injury Waiver, thus transferring from the CHOICE program to a Medicaid Waiver program.

Estimated Number of Applicants for Services from CHOICE with Given ADL Impairment Counts (IC 12-10-10-11(a) (7) (A-C))

Impairment in 1 ADL	Impairment in 2 ADLs	Impairment in 3 or more ADLs
878	1,680	3,051

Estimated Effect on Program Funding, Program Savings, Client Care Outcomes and Comparative Costs[4]
(IC 12-10-10-11(a)(7)(A)(B)(C))

The average cost per day for CHOICE services was $118 lower than the average cost to maintain someone in an institution ($36 CHOICE vs. $154 nursing home). The State and Federal portions of the savings (by day, month, and year) are illustrated below.

State Fiscal Year 2017	Daily	Monthly	Annual
A. Nursing Facility	$ 154	$ 4,424	$ 53,088
B. CHOICE	$ 36	$ 1,101	$ 4,351
C. Savings (A-B)	$ 118	$ 3,323	$ 48,737
D. State Share of Savings	$ 39	$ 1,110	$ 16,278
E. Federal Share of Savings	$ 79	$ 2,213	$ 32,459

CHOICE 2.0

P.L. 145-2014 established a pilot program to demonstrate that, by updating eligibility requirements and assessment protocols, publicly funded services could be braided around informal and community supports to reduce the risk of institutionalization. Financial eligibility criteria were also changed to increase personal financial accountability for CHOICE recipients. The CHOICE pilot begin in January 2015. The pilot was implemented in four Area Agencies on Aging.

Most significantly, the pilot areas have demonstrated that investing time and resources into needs-based assessment and options counseling activities is a model that can reduce the average overall costs of CHOICE services. Results from the pilot have been mixed but promising. Waitlists have been reduced, and, there has been a limited increase in the number of individuals served with CHOICE dollars who participate financially. It is unclear at this point in the pilot whether or not this approach can impact the risk of institutionalization among program participants.

[4] Savings may not be realized because a CHOICE client is not necessarily nursing facility eligible and may not be eligible financially for Medicaid. Additionally the CHOICE costs are based on average days/months of service so short term services reflect in lower annual utilization that if the individual was receiving services the entire year. Nursing facility costs are for a full year. CHOICE costs do include AAA administrative and case management dollars as well.